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6 November 1985

INTER-AMERICAN AFFAIRS

PARAGUAYAN EXILES STAGE PROTEST MARCH TO ARGENTINE BORDER

PY101341 Madrid EFE in Spanish 0117 GMT 10 Oct 85

/Text/ Buenos Aires, 9 Oct (EFE)--Tomorrow, dozens of Paraguayan exiles in this capital will begin a march toward the Argentine border to demand a free Paraguay, and respect for the UN Human Rights Charter, from the government of Gen Alfredo Stroessner.

Julio Echeverry Espinola, cosecretary of the Paraguayan Confederation of Workers in Exile /CPT-E/, the organizer of the protest march, today told EFE that Stroessner, under the agony of his 31-year-old regime, is still increasing the persecution against the union movement in our country and against free man.

The so-called fifth march to the border will end on 12 October at Puerto Iguazu, Argentine province of Misiones, 1,900 km northeast of Buenos Aires, where a political rally will be held.

On announcing the march, exiled union leader Basilio Gonzalez Hermosilla stated that Marcelino Corazon Medina, chairman of the Paraguari and Caaguazu peasants committee, and member of the Paraguayan human rights defense committee, has been detained by the Paraguayan dictatorship since 20 September.

He added that Medina is staging a hunger strike to protest his unjust detention ordered by Stroessner, who has no respect for human and union rights.

He also reported that Miguel Angel Casabianca, Enrique Riera, and Alejandro Stumpfs, leaders of the Colorado Popular Movement /MOPOCO/, and Abdon Saguier and Basualdo, of the Authentic Radical Liberal Party, are also under detention in their country, all of them accused of violating laws repressing political activity.

Stroessner does not respect the UN Human Rights Charter nor the commitments made to several international organizations, Gonzalez Hermosilla stated.

He added that the tyrant, after dominating the Paraguayan people for 31 years through the use of brute force, for his own exclusive ends, now aspires to perpetuate his regime by trying to install another Stroessner in the Lopez Palace.

In this regard, he stated that the Paraguayan president is pulling political strings to have his son, who has a military rank of a colonel, to succeed him.

Echeverry Espinola also stated that the actions of 12 October in Puerto Iguazu, also called Three Frontiers (Argentina, Paraguay, and Brazil), will serve to express the repudiation of the dictatorship by the exiles. He added that dictatorship wants to continue to silence the people, as he has since 1954, and if we can speak it is because we are living in free countries such as Argentina and Brazil.

He added that there is no democracy without social justice, and no integration of our peoples will be achieved without a solid democratic system in Latin America, and in our case, in the southern cone of the continent.

The return to democracy in Argentina, Brazil, Bolivia, and Uruguay represents a stimulating reality, and to complete the task of the peoples we need to defeat the dictatorships of Stroessner in Paraguay, and of Augusto Pinochet in Chile.

The march will begin tomorrow, 10 October, at the Miserere Plaza in Buenos Aires at 2200 local time. (0100 GMT 11 October)

CSO: 3348/69

6 November 1985

INTER-AMERICAN AFFAIRS

FOREIGN MINISTER ON ECUADOR-NICARAGUA TIES

PA151300 Bogota Emisoras Caracol Network in Spanish 1215 GMT 14 Oct 85

/Text/ Bogota--Colombia has expressed its absolute respect for Ecuador's decision to break relations with Nicaragua, but regrets that the two nations and governments reached this point without working out their differences. Foreign Minister Augusto Ramirez Ocampo told Caracol that President Betancur's government zealously respects the sovereign decisions of Latin American countries, but that this does not prevent him from expressing his concern over the break in relations between Quito and Managua following statements made by both governments regarding the Central American process. Ocampo recalled that Colombia was pleased with Ecuador's and the Dominican Republic's decision to join the Contadora Support Group, already composed of Brazil, Argentina, Uruguay, and Peru.

In the last few hours, the Ecuadorean Foreign Ministry expressed its decision to leave the support group that it had joined at the beginning of this month in response to its interest in the events in Central America.

President Daniel Ortega criticized Ecuador for supposedly playing into the hands of the Reagan administration's to boycott the political negotiations in the region. President Leon Febres Cordero replied with indignation, stating that the regional crisis would not be solved as long as there was no democracy in Nicaragua.

Ramirez Ocampo said that the practice of not meddling in the internal affairs of other countries is not obstacle to Colombia voicing its concern for the disruption of relations between Ecuador and Nicaragua. He expressed his heartfelt desire for a resolution of the disagreement that caused the parties to assume this position.

CSO: 3348/76

INTER-AMERICAN AFFAIRS

VENEZUELA REAFFIRMS COORDINATION WITH MEXICO IN OIL MATTERS

PA051255 Caracas EL UNIVERSAL in Spanish 23 Sep 85 p 1

[Text] Energy and Mines Minister Arturo Hernandez Grisanti said that Venezuela and Mexico have reaffirmed their willingness to increase and deepen coordination in oil matters.

The minister met yesterday with Venezuelan President Jaime Lusinchi at Miraflores Palace.

He described talks yesterday between representatives of the Mexican and Venezuelan Governments as positive.

For the past 3 years, the two countries have been consulting each other on oil matters, specifically on marketing strategy. It is public knowledge that Venezuelan and Mexican crude oil share similar characteristics and that a large volume of their oil is targeted to the U.S. market.

Therefore, the establishment of good coordination to prevent any possible competition that could harm the two nations is an objective being pursued by the ministries and nationalized oil industries of the two governments.

Hernandez Grisanti explained: This is why we periodically review the situation and hold consultations. Each country retains full autonomy to make decisions, but keeps in mind that coordination and a trade policy not aiming to promote competition between the two nations are essential to our common interests.

In keeping with these consultations, a Mexican delegation headed by Deputy Energy Secretary Jose Luis Alcudia, which included officials of that secretariat and PEMEX, visited Caracas to meet with Deputy Energy Minister Hernan Anzola, and technicians of that ministry and PDVSA [Venezuelan Petroleum, Inc.]

Hernandez Grisanti pointed out that besides the technical aspect of the meeting, the highlight of the meeting was the political willingness of the two governments to continue to implement a policy of coordination at the highest level.

He finally said: I spoke to Deputy Secretary Alcudia over the telephone and we both confirmed to each other the willingness of our governments to further, deepen, and make our coordination more efficient.

INTER-AMERICAN AFFAIRS

JOURNALIST ASSOCIATION REPORTS ON REGIONAL PRESS FREEDOM

PA151806 Buenos Aires REUTER in Spanish 2102 GMT 14 Oct 85

/Article By David Hume/

/Text/ Cartagena, Colombia, 14 Oct (REUTER)--Freedom of expression is seriously threatened in Chile, Cuba, Nicaragua, and Paraguay, it was announced today at the Inter-American Press Association /IAPA/ General Assembly.

The IAPA Press Freedom Commission today opened its sessions with individual reports on freedom of expression and information in the hemisphere.

According to Jaime Chamorro, codirector of Managua's newspaper LA PRENSA, there is no press freedom in Nicaragua.

Aldo Zuccolillo, director of the closed newspaper ABC COLOR, of Asuncion, Paraguay, charged that the closing of his paper for an undetermined period of time by the government of Gen Alfredo Stroessner has turned into a definitive closing.

According to Zuccolillo, "we are certain that the government will not authorize the re-emergence of ABC COLOR and that this situation would remain unchanged even if General Stroessner were to leave the presidency as is being rumored, as long as the regime he has established remains."

For his part, Emilio Filippi, director of the Chilean magazine HOY, said that in Chile an atmosphere of intimidation persists against both journalists and the media in the form of unjustified judicial suits and threats that have led to specific actions and the staging of terrorist activities against the media.

These reports were presented during the first session of the 41st annual IAPA Assembly, which opened here today with almost 500 owners, directions, and editors of hemispheric newspapers and magazines in attendance.

The meeting will be formally opened on Wednesday with a speech by Colombian President Belisario Betancur.

In his report to IAPA, Nicaragua's Chamorro said the hope that the situation in his country might be reversed is threatened by the Sandinist Government's constitutional project.

According to him, the Sandinist Front's proposal for the new constitution does not even mention press freedom. This, he said, "fills us with pessimism."

He added that on the average, 60 percent of the press material was censored in May, while as much as 4 hours and 46 minutes were devoted every day to checking the material.

Filippi, for his part, admitted that the change from a state of siege to a state of emergency, which occurred in Chile last semester, has improved the press freedom situation in that country.

He warned, however, that freedom of expression remains hampered by specific constitutional, legal, and administrative restrictions.

According to Filippi, the large number of laws limiting freedom of expression threatens to increase with the new regulations announced by President Augusto Pinochet.

The director of the weekly HOY added that although the constitution that has been in effect since 1980 establishes the freedom to express opinions and report without prior censorship, "that guarantee...so far, is merely a good intention."

Filippi explained that requests by several new publications for authorization to begin circulating have either been turned down or deferred without any explanation from authorities.

Zuccolillo also denounced the bans on Radios Nanduti and Charitas against broadcasting reports on opposition politicians who have not been recognized by the Paraguayan Government.

The Paraguayan Government continues to censor the dispatches of foreign correspondents in Asuncion and continues systematically seizing all foreign publications that comment negatively on Paraguay, Zuccolillo added.

As for exiled Cuban journalist Alfredo Izaguirre, he said that there is no freedom of expression in Cuba, where journalists of the now-defunct newspaper EL PAIS and the magazine BOHEMIA have been serving time in prison for many years.

CSO: 3348/74

6 November 1985

INTER-AMERICAN AFFAIRS

PARAGUAY'S STROESSNER SPEAKS AT DAM DEDICATION

PY092118 Asuncion Domestic Television in Spanish 1457 GMT 9 Oct 85

/Speech by Paraguayan President Alfredo Stroessner at dedication of third turbine at Itaipu Dam on Brazilian-Paraguayan border, broadcast over national radio and television network--live/

/Excerpts/ Your Excellency President of Brazil Jose Sarney, today is another eloquent example of the frank and constructive friendship between Paraguayans the Brazilians. Another page of the exciting history of Itaipu is now being written as we set into motion the third 50-cycle generator.

We are greatly pleased to participate in this event, which demonstrates the normal and successful development of our bilateral relations that were inspired by common ideals and are enhanced by enthusiasm and effectiveness at work.

Itaipu is the victory of intelligence, the will, and the fraternal relations of Paraguayans and Brazilians. This gigantic undertaking is a source of pride and amazement for mankind as a whole.

In this setting, privileged by nature, the abundant waters of the Parana River become energy for the wellbeing of millions of human beings. We are already witnessing the growing results of this protentious undertaking, results which together with enormous structure, will be a lasting and just monument to the admirable efforts of thousands of Paraguayans and Brazilians.

Today, destiny gives me the great satisfaction of meeting Your Excellency to witness another momentous event in the history of Itaipu, an undertaking that stands as a deed attesting to mankind's greatness. /applause/

The assembly of the fourth generator, which will operate at 50 hertz, is at an advanced stage. The 14th and 15th generators, which will operate at 60 hertz, are scheduled to begin operation. The other 50 and 60-hertz generators are scheduled to begin operating between 1987 and 1990, at a rate of three per year.

At this ceremony, I would like to convey the deep satisfaction of the Paraguayan people, who are proudly reaping the benefits of progress as they live in peace, within the law, with strong democratic institutions, and with broad guarantees for all those who live on our soil. /applause/

Our institutional situation is normal, our political life is stable, and our political majorities and minorities are engaged in intense civic activities in Congress and in municipal and electoral boards. Our Constitution, which was approved in 1967, was drawn up by the four political parties. We regularly hold clean, free elections, like the municipal elections scheduled for 20 October 1985, which are being preceded by intense campaigning.

In the Paraguay of today, we have a democracy of fruitful work with creative peace and endless efforts in the quest for the wellbeing and happiness of our people. /applause/

I have assumed power in accordance with the will of the great majorities gathered within the historically glorious Colorado Party /applause/, which was founded almost 100 years ago by a man of admired, legendary courage, a statement with strongly democratic principles, Gen Bernardino Caballero /applause/.

With a clear horizon ahead, the country is moving orderly toward its future with public tranquility and respect for human rights, and without the cruel scourge of terrorism /applause/.

We hope to strengthen our progress with the discovery of oil. The Railway of Production is also a top objective in our development program /applause/. This railway will be another important route to Brazilian ports on the Atlantic.

Paraguay remains a reliable debtor, regularly meeting its international financial obligations. Loans have been used to promote production and, consequently, to strengthen our economy, as was recognized by IDB President Antonio Ortiz Mena.

Despite this encouraging picture, which has spared our people the hardships of the economic crisis, we want to voice our solidarity with our sister republics of the continent, which are searching for equitable solutions to the foreign debt problem.

It is imperative that the developed nations contribute to world peace and social justice by paying closer attention to the developing nations' legitimate aspirations for progress. Protectionist barriers and low prices paid for our exports are inconsistent with the principles of understanding and equality.

We believe that integration is a noble task, which promotes progress and friendship among sovereign nations. We strongly reject the extremist ideologies, which seek to undermine mankind's moral and spiritual principles and are either openly or underhandedly trying to spread themselves over this continent by sowing the seeds of hatred and slavery. /applause/

We strongly uphold, no matter the price, the principles of self-determination of the peoples and nonintervention in the domestic affairs of other nations, as we have done throughout our history. /applause/

We must remain united, so that this part of the world can continue to yield its fruits to Western, Christian civilization through a generous struggle for the ideals of mankind.

INTER-AMERICAN AFFAIRS

BRIEFS

U.S. CONTADORA POSITION VIEWED--Caracas, 9 Oct (AFP)--Venezuelan Foreign Minister Simon Alberto Consalvi today described as "contradictory" the position assumed by the United States, which this weekend sent a delegation of the National Security Council (NSC) to prevent the signing of the Contadora Document. Reliable sources in San Jose, Costa Rica, confirmed the NSC delegation's tour through the Central American countries, with the exception of Nicaragua. The sources confirmed that the delegation's members visited the Central American governments. The Venezuelan foreign minister asserted that "according to the talks held by Venezuelan President Jaime Lusinchi and U.S. Secretary of State Shultz, this news does not fit in with the United States' official position." Consalvi also asserted that the Contadora Group (Colombia, Mexico, Panama, and Venezuela) peace negotiations are continuing normally, and estimated that the agreements for the final document's signature could be achieved within the next 45 days. [Text] [Paris AFP in Spanish 0025 GMT 10 Oct 85 PA]

ANSELMO SULE TO BE GRANTED CITIZENSHIP--Montevideo, 12 Oct (AFP)--It has been announced here that the Uruguayan Congress will grant Uruguayan citizenship to Chilean Anselmo Sule, whose Chilean citizenship has been canceled by the government of Augusto Pinochet. Sule, who is the Socialist International vice president, is a member of the delegation of former Chilean lawmakers attending the Latin American Parliament special assembly, which will end its debates regarding the region's foreign debt (over \$360 billion) today. Uruguayan Senator Juan Raul Ferreira, of the Centrist National Party (the main opposition party), said today that the Uruguayan Congress will hold a special session on 14 October to grant Sule Uruguayan citizenship. Ferreira said that Uruguayan President Julio Sanguinetti has already approved the decision and that lawmakers from all the parties will attend the 14 October special session. During its 11 October session, the Latin American Parliament paid tribute to the victims of the Pinochet dictatorship by observing a minute of silence. The Chilean delegation claimed that the foreign debt contracted by Chile over the last decade is immoral because it has served to support the military regime. [Text] [Paris AFP in Spanish 1236 GMT 12 Oct 85]

6 November 1985

TALKS 'PROGRESSING WELL'--Bogota--Colombia feels that the negotiations at the level of plenipotentiaries of Central America and Contadora are progressing well and rejected a crisis in the talks being held in Panama. A news agency dispatch has reported that the meeting concludes today /as heard/ to be followed by an indefinite recess. Colombian Deputy Foreign Minister Guillermo Fernandez de Soto, who headed the Colombian delegation, said that the nine governments will meet again on Thursday. At that time they will discuss security, foreign advisers, and military matters, in an attempt to conclude the draft of the document for peace and cooperation in the region. /Text/ /Bogota Emisoras Caracol Network in Spanish 1215 GMT 11 Oct 85/

CSO: 3348/76

ANGUILLA

BRIEFS

OPPOSITION MP'S DEFECTION--The Valley, Sept 30 -- The opposition Anguilla People's Party (APP) lost its second member in Parliament when Osbourne Flemming joined the government ranks today. Flemming's defection to the ruling Anguilla National Alliance [ANA] came a year after his lone APP colleague, Nashville Webster, crossed the floor. Flemming switched sides two weeks after he publicly called for the formation of a national government in this tiny British Caribbean colony. Flemming has now been appointed Minister of Finance, Education and Community Development. With the defection of both APP members to the ruling ANA side, only independent member Hubert Hughes remains on the opposition side. Hughes served as ANA Finance Minister until he was sacked earlier this year. [Text]
[Bridgetown CANA in English 2041 GMT 1 Oct 85 FL]

CSO: 3298/044

ANTIGUA AND BARBUDA

BIRD ADDRESSES MEETING OF CARIBBEAN TRADE UNIONISTS

St Johns THE WORKERS VOICE in English 4 Sep 85 p 1

[Text] The Right Hon. Prime Minister V. C. Bird called on Trade Unionists to display a sense of honesty and responsibility so as to gain the confidence of their members.

The Prime Minister at the time was delivering the feature address to declare the 5th Conference of Caribbean workers opened. The conference which is held at St. Chrles' Hotel, is being sponsored by the Antigua Trades and Labour Union and its affiliate the Confederation of Latin American Trade Unions (CLAT). The conference commenced on Monday 2nd September and is scheduled to continue until Friday 6th September. It has attracted delegates from the English, Dutch, French and Spanish territories in the region.

The General Secretary of the ATLU acted as chairman for the proceedings and speakers included the Secretary General of CLAT Comrade Maspero, the Executive Secretary of the Caribbean Workers Council Comrade Paulino Santiago, Labour Minister, Comrade A. Freeland and Union President Comrade William Robinson. Also present were communication and Works Minister Comrade Henderson Simon, the Charge D'Affaires of Venezuela Mr. Carlos Cristancho and his Lordship Bishop Donald Reece.

The Prime Minister, the oldest serving trade unionist in the area told delegates and invited guests of the problems which the ATLU faced from 1939 onwards. He said that the Union fought in those days that the people should own and control their country, and it was now in their hands to do what they wanted with it.

The Conference went into session after lunch with an analysis of the situation of the Workers Movement in Latin America by Comrade Maspero who called for a resolution condemning apartheid in South Africa. Comrade Noel Jackson of St. Vincent was elected chairman of the Conference with Antigua's Comrade Clarence Pilgrim being elected as one of the Secretaries.

Also attending the Conference is Mr. George Depena, Adviser on Worker Education of the ILO Caribbean Office.

CSO: 3298/018

ANTIGUA AND BARBUDA

BRIEF

RELATIONS WITH ITALY--Antigua and Barbuda has established diplomatic relations with another West European country. A communique from the Ministry of Foreign Affairs says formal ties at non-resident ambassadorial level were established with the Government of Italy. According to the communique...the new relationship was arrived at "in conformity with the principles of international law, mutual respect for sovereignty, independence, non-intervention in the internal affairs of states, and respect for the obligations arising from international boundaries. It was added that the governments of Italy and Antigua and Barbuda are confident that mutually beneficial ties would be fostered and enhanced by the establishment of diplomatic relations between both countries. [Text] [St Johns NATION'S VOICE in English 30 Aug 85 p 7]

CSO: 3298/018

ARGENTINA

PRESIDENT, MINISTER ANNOUNCE NEW HEALTH BILL

PY130336 Buenos Aires BUENOS AIRES HERALD in English 12 Sep 85 p 1

[Text] (NA-DYN)--President Raul Alfonsin and Health Minister Aldo Neri spoke on nationwide television last night to announce the sending of the administration-sponsored national health insurance bill to Congress.

Alfonsin said the bill was not meant "to curtail the activity of any group in particular, but to guarantee...we all receive the best health care possible." The President also said that democracy does not only mean everyone is equal before the law, "but also fights against gross social wants...the right to health," he said, "is indissolubly linked to human dignity."

Neri said the draft aimed at "neutralizing both unjust privilege and the injustice of being a social outcast."

Some of the major aspects of the bill which, along with the collective bargaining legislation on the congressional calendar was not debated yesterday for lack of quorum, include:

--Integrating doctors, hospitals, clinics, workers benefit programmes and pharmacies in a nationwide network;

--Guaranteeing universal coverage to full and part-time workers, the self-and unemployed and retirees;

--Setting up a National Health Insurance Administration (ANSSAL) under the Health Secretariat independent from the state, unions and management with representatives from the state, workers and retirees;

--Creating a Solidarity Redistribution Fund to be financed by 10 and 15 percent contributions from employee and executive welfare programme funds, which would be used to subsidize low-salaried worker benefit plans, and one percent deduction from wage-earners (currently three percent for single people and 4.5 percent for married workers, the difference going to their takehome pay);

--Administering welfare programmes through boards determined by a secret vote of union members, with labour leaders not eligible for office;

--Establishing "obligatory social security" with benefits allocated through the workers welfare programmes which must earmark 80 percent of all income in health coverage;

--Exempting welfare schemes from city and national taxes in the Federal Capital and encouraging provinces to do likewise.

CGT leader Saul Ubaldini, who met with Peronist congressmen yesterday to develop "joint strategy" in opposition to the bill, said it would "not distract" the CGT from "insisting on full employment and dignified wages as top priorities."

CSO: 3300/54

ARGENTINA

PERONIST NATIONAL COUNCIL LAUNCHES PLATFORM

PY041907 Buenos Aires BUENOS AIRES HERALD in English 3 Sep 85 p 11

[Text] (NA-DYN)--The Peronist National Council yesterday launched the Justicialist Liberation Front (Ffejuli) Platform for the 3 November congressional midterm elections while Justicialist political secretary Luis Salim admitted that the party's Cordoba branch could be intervened if it did not decide its congressional candidates next weekend.

An emergency wage increase and the transfer of the foreign debt issue to congressional control were among the main planks of a platform which contrasted its own "liberation" proposals with the "dependency" perpetrated by government policies, which had caused "recession, unemployment, poverty, illness and despair for millions of men and women."

The seven-page document said democracy should be affirmed by strengthening the role of parliament, which should decide on oil contracts as well as the foreign debt. The Peronists were also critical of the government's "secret diplomacy" while reaffirming Argentine rights in the Malvinas and Antarctic as well as Latin American solidarity. The government was further accused of "dismantling the Armed Forces."

Collective wage bargaining should be reintroduced and social welfare funds returned to the unions, the platform said. The PAN food plan should cease to serve Radical party ends and more should be spent on health, the nuclear plan, and housing, the statement continued. The economy should not be regarded as an end in itself but a "means towards human dignity and national liberation."

State planning was necessary to achieve the latter aim. Inflation could only be fought with increased production and not the austral plan, the platform insisted, adding that the government was stimulating "usury." The statement denied the austral plan was a lesser evil. Taxes must be reduced, regional economies developed, and the foreign debt reviewed within the context of national rather than international Monetary Fund objectives, the statement concluded.

The platform was signed by Justicialist First Vice President Vicente Saadi, Secretary-General Herminio Iglesias, Salim, ex-President Arturo Frondizi, 1983 Movement for Integration and Development (MID) Presidential candidate

Rogelio Frigerio, Socialist leader Victor Garcia Costa and Labour Party leader Enrique Basualdo. FREJULI consists of 12 parties in total.

Saadi said he expected the new alliance to be formed in all provinces. When asked about the decision of Peronist branches in the capital, Misiones and Chaco to run alone in November, Salim said, "disobedience would disturb the National Council."

Salim would not rule out bringing former Economy Minister Antonio Cafiero back into the fold while Iglesias said the Buenos Aires rebel had been offered the top congressional candidacy but had rejected it. Saadi yesterday said Cafiero could not join FREJULI since he was a Peronist activist not a party and also called on Carlos Grosso, the Peronist leader in the capital, to recognize the national leadership.

The powerful 62 Organizations are expected to decide today whether to back Iglesias or observe neutrality between him and Cafiero. The Buenos Aires provincial electoral courts yesterday formally registered the alliance between dissident Peronists led by Cafiero and Christian Democrats as the Renovation Front for Justice, Democracy and Participation (FREJUDEPA).

Retired Lieutenant Julian Licastro, a leader in the capital who is linked to the 62, yesterday criticized the alliance with the Christian Democrats as well as the lack of party unity in Rio Negro and Jujuy.

In other party developments, 1983 Misiones Gubernatorial Candidate Julio Cesar Humada was confirmed in this leadership of local Peronists with 82 percent of the vote in Sunday polls. About 29,250 of 65,000 card-carrying Peronists voted. Ex-Governor Miguel Angel Alterach will be the leading congressional candidate in November. Both MID and the Christian Democrats will be joining FREJULI in Entre Rios.

CSO: 3300/53

ARGENTINA

PERONISTS CONFIRM CAFIERO EXPULSION

PY252301 Buenos Aires BUENOS AIRES HERALD in English 24 Sep 85 p 11

[Text] (NA-DYN)--Former Economy Minister Antonio Cafiero, who has teamed up with the Christian Democrats in a rival Renovation Front list in Buenos Aires province, and Lomas de Zamora Mayor Eduardo Duhalde were expelled from the Justicialist party on 10 September, party legal representative Pablo Allende announced yesterday.

Meanwhile the party's Second Vice-President Jorge Triaca is to regain second spot on his party's Buenos Aires congressional slate after the National Electoral Court accepted an appeal by leading candidate Herminio Iglesias, thus overruling La Plata Electoral Judge Manuel Blanco.

The Justicialist Liberation Front (Frejuli) slate in Buenos Aires province now reads: Iglesias, Triaca, Carlos Zaffore of the Movement for Integration and Development (MID), and outgoing deputies Norberto Imbelloni and Rodolfo Ponce.

Just before the midnight deadline on 14 September, Allende had presented a list which did not include the names of any 62 Organizations leaders since these had failed to reach agreement. Iglesias then presented a list similar to that accepted yesterday about 90 minutes after the deadline.

The court, which is headed by Hector Orlandi, ruled that Allende had presented the list in time and that it had been subsequently and legitimately modified. The ruling also stated that the standards for parties could not also be applied to electoral alliances. Allende had already seconded Iglesias' appeal while Federal Prosecutor Daniel Saint Jean had urged its acceptance.

Cafiero said he had not been notified of his expulsion, which he called an act of "paranoia" and "schizophrenia" since a fortnight ago he had been invited to head the Frejuli slate. The ex-minister admitted that Iglesias was a genuine Peronist but of an outmoded type, comparing him to the caudillos of the thirties. Cafiero confidently predicted that his list would outvote Iglesias' in the 3 November midterm elections.

Allende said Cafiero and Duhalde were expelled with the agreement of the intervention board for running a newspaper advertisement entitled "Peronist rally to break with fraud", which was considered offensive to the present party leadership.

Former Labour Minister Carlos Ruckauf called the expulsions "politically absurd", saying the real enemies were hunger, poverty and dependence under the radical government.

In other party developments, the Justicialist National Council is to meet today for the first time in a fortnight to start planning 17 October festivities and to consider holding primaries in Buenos Aires province next month. These primaries would exclude Cafiero. However, a party source yesterday said the meeting would be postponed.

And in the capital retired Lieutenant Julian Licastro is to appeal the ban on the Frejuli label which he is using for the alliance between dishard Peronists, MID and the Popular Left Front (FIP) and which he is heading against Party of Carlos Grosso.

CSO: 3300/53

ARGENTINA

CGT, 62 ORGANIZATIONS SIGN UNITY DOCUMENT

PY181940 Buenos Aires BUENOS AIRES HERALD in English 18 Sep 85 p 11

[Text] (NA-DYN)--Trying to mend internal differences, the 62 Organizations and the CGT last night issued a joint statement expressing their "complete agreement on continuing the (CGT's) battle plan and on restructuring the confederation's leadership."

But while the statement emphasized labour unity, the 62 Organizations continued drafting a separate proposal on the battle plan and on the future CGT leadership. The proposal, after final approval by a 62 plenary meeting set for today, is to be presented at tomorrow's assembly meeting of regional CGT secretaries-general and delegates.

The CGT meeting is also expected to formally approve that Saul Ubaldini, who now shares the general secretariat with three other unionists, be the sole CGT leader.

The 62 first named Ubaldini to head the committee drafting the proposal but Ubaldini and other CGT directive council members have remained loyal to a confederation team working on the same issues. The attempt to draw Ubaldini into the 62 was interpreted by CGT sources as a "frontal attack by the 62." Inside the CGT, the Committee of 25 faction is most opposed to the 62, the political arm of the traditional Peronist unions.

Meanwhile, Osvaldo Borda, one of the outgoing CGT secretaries-general, said the CGT committee studying the restructuring will propose delegates choose between staying with a 42-man CGT directive council or reducing the number to 21.

On the strike front, Mendoza court clerks went on strike for 96 hours to demand pay hikes. The strike forced the local elections court to postpone the deadline for parties to present candidates in the 3 November Congress polls. And in Tucuman, teachers completed the second day of a strike to demand payment of August wages and pay hikes promised last April.

CSO: 3300/54

ARGENTINA

CARRANZA DISCUSSES ISSUES AT PLANT ANNIVERSARY

PY110216 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1644 GMT 10 Oct 85

/Text/ Cordoba, 10 Oct (NA)--Defense Minister Roque Carranza today attributed recent attacks to "individuals who do not resign themselves to live in democracy." He also admitted the possibility that Argentina will again participate in the "Unitas maneuvers" along with the U.S. and Brazilian Navies. Argentina withdrew from these maneuvers immediately after the Malvinas war.

The defense minister stated that the functions of the armed forces, given the current national situation, "is to maintain internal discipline in the institutions."

Carranza made statements following a ceremony this morning marking the 58th anniversary of the establishment of the air force airplane manufacturing plant in the Cordoba war materiel area.

Asked about the perpetrators of recent both attacks, Carranza said that "unfortunately we are going through a transition stage and there are individuals who do not resign themselves to living in democracy and within its boundaries."

Concerning the possibility of eliminating compulsory military service, Carranza said "that depends on the progress achieved by the military reform, which will be completed in 2 years."

Asked whether Argentina would stop selling war materiel abroad, like Pucara airplanes for example, Carranza said that "no decision has been made yet in this regard."

On the 30-day punishment imposed by Army Chief of Staff Maj Gen Hector Rios Erenu on Gen Pedro Mansilla, Carranza said the army chief of staff has the right to impose punishments and that both Mansilla, a retired general, and Gen Victor Pino "will surely go into retirement," without elaborating any further on this matter.

Regarding recent statements by President Raul Alfonsin that Argentina does not harbor any belligerent intentions, Carranza said the function of the armed forces "is to be ready for the time when some hypothetical conflict crops up."

Concerning a rearrangement within the area of the air force airplane manufacturing plant, Carranza said that process "will take at least 1½ years and in the next few months, we will see to the first concrete steps in that regard."

On the other hand, the defense minister emphasized "the high degree of training of the Argentine Air Force pilots," and recalled that during his flight to Cordoba, aboard a "Hercules C-130" airplane, he witnessed how four "A-48" airplanes from the Villa Reynolds Air Force base in San Luis province were refueled in flight.

CSO: 3348/70

ARGENTINA

POLITICAL SECTORS JOIN FORCES TO CREATE NEW FRONTS

PY090114 Buenos Aires BUENOS AIRES HERALD in English 8 Sep 85 p 17

[Text] (NA)--Although the Justicialist Liberation Front (Frejuli) has been stealing the show, other political sectors have been forging or considering alliances last week. The deadline for registering alliances expired on Thursday and only the provinces of La Rioja, La Pampa and Formosa had no coalitions to show by then.

The Independent Democratic Alliance (ADI) between the Popular Line, the Christian Democratic Union and the Conservative Union yesterday announced that AMBITO FINANCIERO editor Julio Ramos would be its top congressional candidate.

Principal alliances have been the Liberation Front (Frepali)--Communists and the Trotskyist Movement to Socialism (MAS) with the Revolutionary Peronists pulling out at the last moment--and the Socialist Unity Front (Democratic and Popular Socialist). But in Cordoba and three Patagonian provinces MAS is running with the fellow-Trotskyists of the Workers' Party (PO).

The Union for the Democratic Center (UCD) has teamed up with Democrats and Centre Federalists in the capital and Entre Rios and with the Autonomist Conservative in Buenos Aires Province. Francisco Manriques Federal Party has joined provincial parties in Corrientes and Chaco.

Frejuli is running in 18 of the country's 26 districts with conflicting reports as to whether or not the Movement for Integration and Development (MID) and the Popular Left Front are using the name for their alliance in the capital, where the Peronists are running apart.

CSO: 3300/53

ARGENTINA

PDC LEADER COMMENTS ON GALVIN'S REMARKS

PY112021 Buenos Aires DYN in Spanish 1012 GMT 11 Oct 85

/Text/ Buenos Aires, 11 Oct (DYN)--Christian Democratic Party /PDC/ leader Carlos Auyero today criticized statements by U.S. Gen. John Galvin, and asserted that Latin America "needs no political or military paternalism from any continental or extracontinental power," however, it does need the opportunity to obtain its "self-determination," to be able to freely dispose of its natural resources," and "of choose its own social economic model," which "will undoubtedly be democratic and participatory."

In a document, Auyero rejected "the possibility of resuming joint military operations with those who have been and still are openly allied to (British Prime Minister) Margaret Thatcher in her policy of usurping our Malvinas (Islands)" in light of General Galvin's tacit invitation to rejoin the Unitas maneuvers."

Referring to accusations against Nicaragua by the U.S. Armed Forces commander, Auyero said: "We have no proof that Nicaraguan military units have crossed the border and robbed its neighbors."

"We know perfectly well," he said, "that for decades, U.S. imperialism has stripped many peoples of their natural resources through international trade with U.S. corporations, usurious loans, covert occupation, or occupation by the Marines; thus condemning millions of men, women, and children to live in inhuman living conditions."

Commenting on Galvin's request that foreign military advisers leave Nicaragua, Auyero reasserted that "the PDC traditional position is to reject foreign interference whatever its origin in the problems of the Latin American peoples, Marxist or capitalist."

"And this logically includes U.S. military advisers, political lobbyists, special services, and armed mercenaries," the PDC leader said.

CSO: 3348/70

ARGENTINA

7-PARTY JUSTICIALIST FRONT ANNOUNCED

PY241754 Buenos Aires BUENOS AIRES HERALD in English 24 Aug 85 p 9

[Text] (NA-DYN)--A seven-party Justicialist Liberation Front (Frejuli) was formally launched yesterday at Justicialist National Council headquarters at a meeting which was apparently boycotted by representatives of the Peronists' labour branch.

The seven parties were the Justicialists, the Movement for Integration and Development (MID), the Argentine Socialist Confederation, the Popular Conservatives, the Authentic Socialists, the Constitutional Nationalist Movement, and the Leftist Popular Front (FIP).

Justicialist Party (PJ) First Vice-President Vicente Saadi, PJ Secretary-General Herminio Iglesias, PJ Political Secretary Luis Salim, former President Arturo Frondizi, 1983 MID Presidential candidate Rogelio Frigerio, FIP leader Jorge Abelardo Ramos and Authentic Socialist leader Simon Lazara were the best-known political figures at the meeting.

Buenos Aires Christian Democrats allied to anti-Iglesias Peronist backing former Economy Minister Antonio Cafiero have not abandoned hopes of using the FREJULI label themselves, appealing Federal Electoral Judge Manuel Blanco's ban on such use.

Nevertheless, Cafiero signed an electoral agreement with the Christian Democrats and two other minor parties yesterday. Christian Democrat leader Carlos Auyero said the new front had bolder answers than the government. Meanwhile left-wing Peronists who met last weekend in Mendoza launched an "anti-oligarchical and anti-imperialist" Revolutionary Peronist internal line within the Justicialist Party.

The powerful Committee of 25 Labour Grouping yesterday met Federal Capital leader Carlos Gross to consider the party crisis in Buenos Aires province. CGT Secretary-General Osvaldo Borda, Peronist Deputy Roberto Garcia, and union leaders Raul Ravitti (railwaymen) and Jose Rodriguez (auto workers) all attended the meeting.

On Thursday night, 4,000 supporters heard Grosso launch the Peronist election campaign in the capital, claiming "we have returned to florid Peronism."

Governors Ruben Marin (La Pampa) and Arturo Puricelli (Santa Cruz) attended but no National Council members.

Grosso is expected to be nominated today as the leading congressional candidate for the mid-term elections on 3 November since he controls 441 of the 704 delegates who are to convene.

CSO: 3300/53

ARGENTINA

JUSTICIALIST COUNCIL ON INTERVENTION OF BRANCHES

PY102249 Buenos Aires BUENOS AIRES HERALD in English 10 Sep 85 p 11

[Text] (NA-DYN)--The Justicialist National Council last night ordered the intervention of party branches in Cordoba, Rio Negro and Tierra del Fuego until the 3 November midterm congressional elections and six months beyond.

Meanwhile Lorenzo Miguel, the 62 Organizations leader who heads the Metal-Workers Union (UOM), yesterday said that if the unity of the Buenos Aires branch of the Justicialist Party broke down, he would support present provincial boss Herminio Iglesias.

The latter presided last night over the meeting of the National Council of which he is secretary-general.

Miguel also said the 62 was backing Saul Ubaldini to both top the list of Buenos Aires congressional candidates and act as sold CGT secretary-general in future instead of sharing the position with three other labour leaders as at present.

Peronists failed to agree on congressional candidacies at a convention last Saturday and National Convention chairman Raul Bercovich Rodriguez, who thereupon resigned as provincial leader, admitted yesterday that an intervention was necessary to choose a slate of candidates for the 3 November midterm elections.

Salta Peronist Julio Mera Figuera was tipped to be the future trustee of the Cordoba branch.

In other party developments, retired Lieutenant Julian Licastro, a 62 supporter who finished runner-up behind Carlos Grosso in the Federal Capital primaries, said he was willing to head a Justicialist Liberation Front list against Grosso's Justicialists if the party's National Council so decided.

Meanwhile the Authentic Socialists (PSA) of Buenos Aires decided to support the Renovation Front for Justice, Democracy and Participation (JDP) of former Economy Minister Antonio Cafiero, a coalition between dissident Peronists and

Christian Democrats, even though one of the PSA's leaders signed the [Justicialist Liberation Front] election manifesto while the party in the capital is supporting the Frepali Liberation Front between the Communists and the Trotskyist Movement towards Socialism (MAS).

CSO: 3300/53

ARGENTINA

RETIRED GENERAL SEVERELY CRITIZES ARMY

General Faces Possible Punishment

PY081638 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1210 GMT 8 Oct 85

/Text/ Buenos Aires, 8 Oct (NA)--Argentine Army chief of staff, Gen Hector Rios Erenu could shortly punish Gen Padro Mansilla, retired, as a result of an incident that took place on 5 September at Campo de Mayo during which the retired general apparently severely criticized the leadership of this branch and may have gone as far as inciting the disruption of constitutional order.

Certain reports indicated that an investigation may be conducted to establish whether there are enough motives for bringing General Mansilla before a court of honor because the incident was quite serious.

It all happened in Campo de Mayo on the occasion of "Artillery Day" that was attended by Rios Erenu, other high-ranking officers, Defense Minister Roque Carranza and Mansilla, who used to be commander of the III Corps and retired together with former Army Commander in Chief Jorge Arguindegui.

The bitter argument between the two military officers--who graduated together from the military college--took place in the officers mess, in front of other officers who had to take action in view of the tone the incident acquired.

It all began when Gen Rios Erenu, after talking for approximately ½ hour with artillery noncommissioned officers went to the officers mess where he started talking with several commanders. It was then that Mansilla approached him and started to harshly criticize the manner in which the branch was being led.

According to the rumors, a visibly annoyed General Mansilla went as far as to shout at the army chief of staff that if necessary we should "kick down doors" and even "change the government."

The argument heated up and harsh words were exchanged to the point that a group of officers who were present were forced to intervene to prevent the argument from developing into something else.

6 November 1985

Arrest Ordered

PY090100 Buenos Aires Domestic Service in Spanish 2300 GMT 8 Oct 85

/Text/ Army Chief of Staff Gen Hector Rios Erenu has ordered that Gen Pedro Pablo Mansilla, retired, the former commander of the III Army Corps, be arrested and held for 30 days.

General Mansilla this afternoon went to Libertador building to acknowledge the decision made by the army chief of staff.

CSO: 3348/70

ARGENTINA

IGLESIAS ROUCO ANALYZES MILITARY SITUATION

PY150259 Buenos Aires LA PRENSA in Spanish 12 Oct 85 pp 1, 4

/Column by J. Iglesias Rouco: "Military Situation (2)"

/Text/ With the explanations Mr Moreau gave yesterday about his statement implicating Battalion 601 in recent terrorist acts, Gen Rios Erenu obtained a resounding political triumph, so to speak.

Since Rios Erenu is the target of a campaign by various groups of advisers, who had been connected with the "process" (and are closely connected with the government), of a campaign in which Moreau's statement is just the tip of the iceberg, of a campaign for which he initially wanted to make us responsible--with much applause from the government, it should be recalled, and particularly from the Alfonsinist left--the Joint Chief of Staff, Rios Erenu, finally decided to point his finger in the right direction or, at least, approximately in the right direction. We say approximately because, as we repeat, the statement by Moreau was only the tip, the smallest perhaps, of the subterranean attacks that some sectors of the government have been launching not so much against the military chiefs of the "process" (this is done by the official propaganda apparatus) as against the current chiefs of the armed forces. This attack is intended to block both an "understanding" between these chiefs and the presidency as well as military institutional support for democratic stability, a support that would revitalize the military institution and would thwart the attempt by those sectors to eliminate the military institution or keep it in a constantly unstable state.

We speak of a political triumph for Rios Erenu because his Wednesday meeting with Mr Roque Carranza to request explanations from the government served not only to consolidate his lately shaken internal position, but also to put Mr Moreau and those who support him on the spot. In fact, Moreau now extends his hands to the army and says that his words were "partially" understood. The truth is that he could have set the record straight without waiting for a reaction from Rios Erenu. This, and not waiting, would have been the proper thing to do. Said differently, Moreau explained--we could even say that he explained what was unexplainable--only after Rios Erenu, through Mr Roque Carranza, forced him to explain. The triumph of Rios Erenu in this skirmish is even more noteworthy if one considers that: 1) Moreau's statement against the 601 Battalion (directly subordinate to the Joint Staff) had been previously

endorsed or even encouraged by high echelons of the government; 2) the explanation was obtained later by Rios Erenu, acting on his own, not through pressure on the Defense Ministry from its Radical /Radical Civic Union, UCR/ advisers, civilian and military, both of which it has (advisers who, like those of the adversaries, worked for the "process"); and 3) Moreau enjoys a solid position in the party and the confidence of the presidency. Moreau is not a pushover. In view of Moreau's strong position, Rios Erenu may have sought protection in the government's fear of the electoral damage that the resignation of the army chief could cause among the middle class.

This remarkable counteroffensive by Rios Erenu has in our view a small flaw, perhaps resulting from a distortion in his political perception, which we in time pointed out to him. Last Friday when the writer of this column limited himself to objectively depicting the real situation in the army and to pointing out some of its true destabilizers, although without pointing a finger too directly, Rios Erenu went immediately to the state press agency and accused us in full view of the world as "destabilizers." Conversely, when Mr Moreau charged an unit under his command with a terrorist escalation, the general forgot the press agency, clenched his teeth, and quietly headed for the office of the defense minister. However, this is a minor detail. We understand that we are not as important as Mr Moreau--fortunately--and that we can therefore be treated less seriously. After all, the real family problems are discussed at home.

But let us go back to the heart of the question. Will this success make it possible for Rios Erenu to keep control over his forces and thus avert a possible military crisis in the short term, that is, his replacement and that of the largest part of the army's leadership? In principle, the fact that Roque Carranza and President Alfonsin acquiesced to Rios Erenu's demand against Moreau suggests that the Casa Rosada is thinking of keeping him on the job, although only as long as circumstances or his own efforts do not make Rios Erenu a national leader or unifier of the forces, as happened with his old superior, professor, and current friend, General Lanusse. And this is precisely one of the great questions regarding the military's immediate future: Could Gen Rios Erenu be successful and yet not successful, or be too successful?

As far as we know, Rios Erenu is well prepared, especially to be "too successful," and he is trying to be just that. But the government policy is another story. Let us consider some interesting points:

1) Perhaps through a wrong interpretation of the Spanish military policy during the transition period in Spain, which put Gen Gutierrez Mellado, the most lackluster among those available to the incipient Spanish democracy, at the head of the army, the Casa Rosada wants an insignificant general to command the army.

The Casa Rosada does not take into consideration that Gutierrez Mellado was the last on the list--perhaps like Rios Erenu--but at the same time, he was a very honorable military man and a more intelligent man than he appeared to be (perhaps just like Rios Erenu). Likewise, the Casa Rosada is not considering the fact that before making Gutierrez Mellado the chief, both the Crown and Mr Aldolfo Saurez tried to tap other generals of more renown in the army.

Our government, moreover, seems to ignore the fact that while Gen Francisco Franco bequeathed a disciplined army to Spanish democracy, the "process" here left us the opposite: an army with an impaired chain of command and a large part of its officers corps "compartmentalized"; and two wars lost, both the "dirty war" and the Malvinas war, both because of the "process" great offense against law and decency. To make matters worse, it should be considered that although everybody recognizes the professional defeat in the Malvinas, broad sectors of the officers staff, including some sectors of the parties and the government, are still under the spell of the "process" propaganda which dicatates that the armed forces won the "dirty war." They do not realize that subversion was at best only neutralized in the first battle, but only at the cost of the disintegration of the military institution as is shown by the fact that not only are its former commanders on trial, but also the subversive organizations are, from the "institutional" standpoint, in a better position to act politically than the forces of order. In other words: if war is, as Clauseqitz asserted, nothing but politics by other means, the "dirty war" has been lost, more so than the Malvinas war. And this is the defeated and dismembered army that must now be commanded by a general who, according to the government, should not have any power or autonomy, not even professional, at a time when what is really needed is a general capable of imposing internal order with an iron hand without any consultations with the political power because this is a military and not a political problem, a general worthy of the trust of his subordinates. In other worres, the political power should never contradict, with its attitude or words, the statements of the commander to his officers as is actually happening for example in "the end" issue, or forcing the commander to submit to the political power for later approval and even "correction" awards and sanctions which have already been approved as is now happening (or happened last year).

2) There are three totally different positions in the government regarding the armed forces: Those who hope to abolish them; those who want to keep them away from the institutional life of the nation and reduce them to their minimum, and those, the minority, who hope to integrate them into the branches of the government. After 2 years of waffling, the president has not chosen any of the three positions. Instead he has fluctuated among the three, and especially between the last two. However, a decision shared to greater or lesser extent by the three groups, although only provisionally by the third group, still stands: Not to grant the chief of staff any power, not even to manage the funds allocated to him or to give him enough autonomy for the internal professional reorganization of his command.

3) Almost certainly the government will not take any steps this year leading to "the end."

4) The various groups of "advisers" and civilian experts on military matters have hardly begun their campaign. With the help of some government sectors, some of those groups will continue trying to undermine the position of Rios Erenu.

5) In the near future, the handling of the army leadership by the army general staff will become an even more complex task, because several colonels will be

promoted to general with the support of the politicians. Several of the generals who now hold positions in the structure set up by Rios Erenu are likely to retire in 1986.

6) Also in the near future, the Renewal and Change Movement sectors within the government and the ruling Radical Civic Union will intensify their efforts to divide the armed forces into two main fronts, or to create the "image" of such fronts: On the one hand, the front of the "democratic" militarymen, like those belonging to the CEMIDA /Center of Military Officers for Democracy/, which was founded with the help of a government investment of \$300,000; and on the other, the front of the "totalitarians." Efforts will be made to include more retired high-ranking officers, particularly junior officers on active duty in the first front. The second front, made up of middle-grade and high-ranking officers on active duty (except for those of the "process"), will be depicted as a group of people bearing the greatest responsibility for the "dirty war" and for the hostility toward the democratic government, in an effort to isolate them from their comrades.

7) Concerning the above-mentioned facts, the government, some military commanders, and the "advisers" are basing their actions on a somewhat questionable premise. They consider that there are only about 1,000 or 1,200 army officers on active duty (captains with 4-years seniority, majors, and some lieutenant colonels) who may have participated in the "dirty war," and that, consequently, their position--and their agitation--has no backing in illegal repression between 1976 and 1979. While this assertion can be justified from a chronological viewpoint, it seems to overlook the following fact: Those officers are now the commanders of junior and noncommissioned officers, who are thus under the direct influence of the former. The pressure of these commanding officers, which reaches the lowest ranks, has also influenced the higher echelon in a very direct way. In addition, the propaganda campaign the government and the process have orchestrated against the former commanders and against the antisubversive war has affected the armed forces as a whole, even if this was not the original objective of the campaign. Thus, the effects have also reached the subordinates and the commanders of those 1,000 or 1,200 officers, awakening feelings of solidarity and esprit de corps that are normal in any military organization.

All these factors reflect a situation in which there are no prospects for greater stability within the military in the short term. We know that high-ranking government and armed forces members are trying to work out solutions, like the "end" and the "institutionalization" of the armed forces within the democratic regime. We also know that the armed forces are not concocting any coup. Fortunately, the military, like almost all civilians and their leaders, admit that there are no reasonable alternatives for either the democratic system or the government of Mr Alfonsín. Many disruptive factors still prevail within the military in the absence of clearly-designed projects and pronouncements. Any occasional disturbance, like the one caused by the statements by Mr Moreau (which were not welcomed, according to our sources, even by his colleagues Stubrin and Nosiglia) tend to release repressed feelings that are as unnecessary as they are dangerous. And when this happens, the military commanders to whom the government has refused to give proper political tools cannot do much, no matter how successful some of their actions may be, like the recent success of Gen Rio Erenu.

We reiterate: High-level pacts work only if each side gives the other the instruments with which they can implement it in their respective sectors, if there is mutual confidence, and if all the parties involved comply with the terms of the pact.

CSO: 3348/73

6 November 1985

ARGENTINA

AIR FORCE CHIEF ON NEW AIRSPACE INDUSTRY PHASE

PY111721 Buenos Aires TELAM in Spanish 1413 GMT 10 Oct 85

/Text/ Cordoba, 10 Oct (TELAM)--Upon referring to the Argentine aeronautics industry, Air Force Chief of Staff Brig Gen Ernesto Crespo said that the beginning of a new century, which is already so close, must find us with the industrial and technological capability to participate and compete on an equal footing with the developed countries, for which reason we must overcome the old conservative schemes.

In a speech at the air force aircraft manufacturing factory marking the 58th anniversary of its establishment, the air force chief of staff announced the completion of a stage and the decisive beginning of another phase which, through the willingness and the support of all of us, will permit the final and rational takeoff of this industry, which is essential, very important for the country.

In this regard, he said that this historic factory is being restructured and that it will in the short term turn into a group of industries working coordinatedly for the attainment of common targets. He explained that this process will also benefit the small industries of the private sector.

Crespo added that this transformation will necessarily imply a more flexible personnel management policy and a system of promotions based on the recognition of the employees' skills and on adequate salary levels.

He explained that setting up an efficient and modern aerospace industry is not an easy task, because it calls for large investments, sustained support, and cooperation from the private sector. Therefore, since it is not always possible to count on these factors, it is not surprising that the state has had to increase its participation in this sector. This situation, which may have suggested that the state has displaced private initiative, has promoted irregular development within the sector, causing significant fluctuations in production level.

Crespo pointed out that our domestic demand is not enough to encourage a profitable production system, and that this can be compensated for by a system of gradually widening participation.

The restructuring is underway, and the reactivation measures and the changes are being enacted as quickly as possible, though in conformity with prudence, reason, and with the available means, Crespo added.

Finally, he stressed that the new century is in sight and that this is the time for charting a course that should lead the country toward the great adventure of the future. Whether on its bicentennial Argentina will be among the leading nations or whether it will be sadly followed the course that others have charted depends on us. The decision is ours, he concluded.

CSO: 3348/70

ARGENTINA

CRESPO SAYS 'NO DISSATISFACTION WITHIN AIR FORCE'

PY111213 Buenos Aires TELAM in Spanish 1625 GMT 10 Oct 85

/Text/ Cordoba, 10 Oct (TELAM)--Air Force Chief of Staff Brig Gen Ernesto Crespo today stated that despite of the fact that an air force man has been indicted (referring to Brig Gen Orlando Ramon Agosti, retired, who is being tried within the framework of the public trial of the first three military juntas in the former military government) this does not mean that the air force is being tried, stating that there is no dissatisfaction within the air force.

Crespo made these comments upon the conclusion of a ceremony held to mark the 58th anniversary of the establishment of the aircraft factory in Cordoba.

Asked about the reason for his presence in the courtroom during the case presented by the counsels for the defense of Brig Gen Orlando Ramon Agosti, retired, Crespo stated: I did it because I had never attended a trial like this. In the first place, I attended as a citizen, and secondly I attended because an air force man was being tried and I wanted to get acquainted with the techniques used by the counsels for the defense, Crespo said.

Referring to the attacks carried out recently, Crespo stated that there have been a number of actions of many sorts that seek to alter the current way of life. He stated that there are a number of misfits who want to return the country to a certain situation to which it should never return.

In the meantime, Crespo announced the beginning of assembly-line construction of IA-63 airplanes and the completion of construction of IA-58 aircraft, thus realizing production in this area of obvious potential, referring to the aircraft factory.

CSO: 3348/70

6 November 1985

ARGENTINA

FISHING SECRETARY REJECTS AGREEMENT WITH UNITED KINGDOM

PY110155 Buenos Aires DYN in Spanish 1324 GMT 10 Oct 85

/Text/ Buenos Aires, 10 Oct (DYN)--Agriculture, Livestock, and Fishing Secretary Lucio Reca today denounced what he considers a "true ichthyological depredation" in the South Atlantic, and at the same time flatly rejected the possibility of establishing, within the framework of the United Nations, an Argentine-British agreement on the regulations for the exploitation of the resources of the region.

Reca asserted that "Argentina considers that it has full jurisdiction over that maritime area. Therefore, it does not have to sign or discuss anything with any country; not fishing terms nor terms regarding the exploitation of resources that will help preserve the area."

The state secretary referred to this issue during a program broadcast by radio "El Mundo" when the journalist interviewing him said that there are rumors stating that the two countries would allegedly try to adopt a joint stance on the issue during the upcoming meeting of the UN Food and Agriculture Organization /FAO/, in an attempt to unfreeze bilateral relations.

Reca stated that "we can hardly discuss that belongs such as that with a country that has occupied territory that belongs to us."

Reca said that there "are a series of elements" that permit one to assert that the amount of fishing in the South Atlantic exceeds the precautionary limits.

He added that "the quantity of fishing carried out is beyond the limits that should naturally be observed in order to preserve the resources." After mentioning the continuous presence in the area of vessels of various flags, he said that Argentina will bring the subject up in international forums but "by its own means."

CSO: 3348/71

ARGENTINA

DAILY BLAMES UNITED STATES, EC FOR CEREAL PRICES

PY110122 Buenos Aires CLARIN in Spanish 9 Oct 85 p 20

/Editorial: "The Cereal War"

/Text/ The quasi-war between the United States and the EC over cereals, which brought down cereal prices around the world, has forced our country to reduce the foreign exchange withholdings on wheat exports that are meant to compensate the growers for their lower income. This reduction, which will have negative effects on fiscal revenues, once again starkly shows the vulnerability of economies that depend on the export of primary commodities, as well as the fallacy of models that endorse Argentina's specialization in that type of production.

The dispute between the United States and Europe over the cereal market has just begun, and its consequences are difficult to foresee. The conflict was triggered by the sale of 500,000 tons of U.S. wheat to Egypt at subsidized prices. The EC immediately retaliated by increasing established subsidies on wheat exports by 25 percent, and the United States in turn retaliated.

The United States has a system of subsidies to agricultural production and of stockpiling grains. The current administration wants to modify this situation immediately. To that effect, the U.S. Administration has started to reduce subsidies to farmers, thus reducing the price of grains in the domestic market and improving competitiveness in the external market. The latter effect is further reinforced by the aforementioned promotion of exports in order to reduce the grain surpluses accumulated in recent years.

The EC likewise maintains large grain stockpiles and, despite huge budget deficits, it has raised its subsidies to grain exports in order not to give up to the Americans the markets it has gained and to which it intends to sell its surpluses. All of this has caused a notable drop in the international price of grains, thus deteriorating the terms of trade of the cereal-growing countries and weakening their capacity to obtain trade balance surpluses.

To counteract this negative trend, the Argentine economic authorities have decided to reduce by 11.5 percentage points the foreign exchange withholdings on wheat exports, bringing it down from 26.5 to 15 percent. They estimate that this measure will not affect fiscal revenues for the rest of the year, but that

it will do so in the immediate future. If the international prices of cereals remain at their current level, the loss of fiscal revenues might be on the order of \$700 million. It remains to be seen how this revenue drop will be compensated for. Will the state make greater efforts to contain its expenditures or will it resort to a new fiscal measure in order to transfer the cost of the measure to society?

Beyond this circumstantial situation, one must reflect on the advantages of the Argentine economy's specializing in the production and export of primary commodities. There are episodes throughout history similar to the one we are now commenting on, in which the policies of the larger countries or the inclemencies of weather have brought discomfort to the economy and loss of wealth.

To pull out of this trap, the economy must be diversified, industrialized, technologically transformed in order to ensure a more advantageous place for it in the international market and to obtain by our own effort a greater share of revenues than the one we can afford with the agricultural and importing model we now have.

CSO: 3348/71

6 November 1985

ARGENTINA

UBALDINI DEMANDS COLLECTIVE BARGAINING

PY132048 Buenos Aires BUENOS AIRES HERALD in English 11 Oct 85 p 11

/Text/ (NA-DYN)--CGT Secretary General Saul Ubaldini--backed up by 5,000 cheering unionists--yesterday warned the government that workers are ready to sacrifice their lives to have their wage demands met.

"We're ready to give our lives if necessary," Ubaldini told factory delegates and union leaders who marched on the labor ministry yesterday afternoon to demand that wage talks be included in collective bargaining contracts.

Ubaldini and other CGT leaders met with Labor Minister Hugo Barrionuevo during the rally, handing him a 14-page list of 155 unions that renounced 441 contracts with employers to protest the government's refusal to include wage talks in the bargaining process.

President Raul Alfonsin's administration has relied on military-decreed legislation to keep wages out of the contracts.

"We want a legal and democratic response," the CGT said in a statement, adding the government has two options: "continue the dictatorship's antiworker policy or obey the legality of democracy."

Ubaldini, speaking from the top of the CGT's "Peace, Bread and Work" truck after meeting with Barrionuevo, demanded the government re-establish the contracts law thrown out by the military regime.

When Ubaldini mentioned that he gave the list to a minister who "was once a labor leader," the crowd went wild, shouting "Son-of-a-bitch" in the ministry's direction.

The brewers' leader also took a hard line on Alfonsin's foreign debt policy. "The only debt the government must pay is the one it owes to its people," Ubaldini said as other unionists shoved to get near the makeshift podium.

Ubaldini, sporting his traditional leather jacket, further warned the radical government "not to play with our patience"--a warning followed by chants of "We'll return" from the mostly Peronist crowd.

Between drum beats and confetti showers, Ubaldini urged the unionists to "show them what good conduct means." But several men busy putting holes in the ministry door appeared not to listen.

Metal Workers' Union (UOM) chief Lorenzo Miguel and Peronist deputy candidate Carlos Grosso, among others, attended the march.

Two blocks away at Government, police set up a metal barrier fearing unionists would march on the building. The fear proved unfounded, but a separate, mini-march was staged by villa miseria residents seeking land to build homes on.

On the strike front, sugar workers in Las Palmas, Chaco, once again cut off part of Highway 11 to demand payment of back wages. The mill is owned by the National Health Ministry.

And in Santa Fe, court clerks stayed home yesterday to demand their wages be linked to judges' salaries.

CSO: 3300/57

6 November 1985

ARGENTINA

ELECTRICAL WORKERS STAGE 24-HOUR STRIKE

PY102156 Buenos Aires BUENOS AIRES HERALD in English 10 Oct 85 p 11

/Text/ (NA-DYNA)--Around 50,000 power workers across the country downed their tools yesterday and threatened new strike action, as railwaymen announced they would start their "battle plan" on Monday and the CGT readied unionists for this afternoon's march on the Labor Ministry.

The Power Workers' Federation, representing 43 unions, claimed total success in its 24-hour strike to demand pay hikes to thousands of men who got left out of court settlements favoring workers owed back wages.

Federal capital union Secretary General Oscar Lescano said workers showed up for work but refused to perform tasks yesterday. Lescano also confirmed reports of energy shortages as a result of the strike and of work-to-rule measures taken in recent weeks. He added that unless pay hikes are granted "new protest measures" are likely to follow.

Union sources said state-owned energy companies are finding it almost impossible to offer the pay hikes because of government guidelines ordering them to pay their own way.

Meanwhile yesterday, the four unions representing railway workers said a "battle plan" possibly including work-to-rule measures and scattered strikes would start on Monday to demand pay hikes and better retirement benefits.

Union leaders are to meet tomorrow to draft the plan and still hope to talk with President RAul Alfonsin this week to try to avert the protest.

The CGT is expected to draw between 5,000-10,000 factory delegates and unionists at today's 3:30 pm march on the Labor Ministry to demand that wage talks be included in collective bargaining contracts.

The march will be the third rally by the CGT in the last 4 months, although the confederation's decision to limit the protest to unionists is certain to keep rally numbers well below previous levels.

And in Cordoba yesterday, water works employees went on a 72-hour strike to demand pay hikes.

CSO: 3300/57

ARGENTINA

BRIEFS

MILITARY COMPLEX TAX EXEMPTION--(DYN)--The Military Industrial Complex (Fabricaciones Militares) has been exempted from paying taxes on profits, capital and any other gains through to 1 January 1989. The exemption, announced by presidential decree, is effective retroactive to 1 January 1984. The decree notes the difficulties faced by the complex in paying taxes. [Text] [Buenos Aires BUENOS AIRES HERALD in English 18 Sep 85 PY]

CANITROT ON MONETARY PROGRAM--(NA)--Economic Coordination Secretary Adolfo Canitrot told the daily LA PRENSA yesterday that "we are going to rethink the monetary programme entirely come October" and also reiterated that the country will come out of the freeze "without prices taking off." Canitrot admitted that some provincial banks and economies were in especially difficult situations, due, among other factors, to high interest rates. He also said the export retentions could not be eliminated outright for the moment, but the government would try to reduce them gradually. Referring to the price dispute between car plants and parts manufacturers, Canitrot said the government would not yield to requests for price flexibility, which "is a typically inflationary way of solving problems." [Text] [Buenos Aires BUENOS AIRES HERALD in English 2 Sep 85 PY]

COMMUNIST LEADER DENIES CONNECTION--(NA)--Communist leader Enrique Salvi yesterday denied that his party had ever received a cent from former East German diplomat Martin Winkler, who recently defected to the West, thus denying press reports that Winkler had served as a go-between for Argentine Communists and their Soviet bloc masters, delivering the former a total 14 million dollars for alleged sabotage and subversion. Salvi said the Communists were a democratic party which relied on membership fees for support and regularly disclosed party finances. [Text] [Buenos Aires BUENOS AIRES HERALD in English 16 Sep 85 p 9 PY]

SOVIET FISHING SHIPS MAINTENANCE--Buenos Aires, 24 Sep (TELAM)--Jorge Carlos Pietranera, the president of the Trandanor Inc firm, has reported upon returning from the USSR that he signed a contract in this country. Under the terms of the contract, the maintenance and the repair of ships belonging to the Soviet Ministry of fisheries will be carried out in Buenos Aires. [Summary] [Buenos Aires TELAM in Spanish 0217 GMT 25 Sep 85]

EXPORTS TO THE PRC--Buenos Aires, 23 Sep (DYN)--Foreign trade secretary Ricardo Campero has reported that Argentina's exports to the PRC reached \$150 million in the first half of 1985. [Summary] [Buenos Aires DYN in Spanish 0018 GMT 24 Sep 85]

ALFONSIN ON TALKS WITH STEEL--Buenos Aires, 8 Oct (TELAM)--President Raul Alfonsin has stated that the meeting he held during his visit to Spain with David Steel, head of the British Liberal Party, is a step forward in the task to make the whole world understand the need for us to negotiate our problems with the United Kingdom with tolerance. Alfonsin made these remarks at Ezeiza International Airport on returning to the country from Spain after a brief visit, during which he received the Principe de Asturias award for his efforts to restore democracy in Argentina, and the Libertad award granted by the Liberal International. The Argentine president was consulted about a possible meeting with British Prime Minister Margaret Thatcher, and he said that nothing has been done in this regard. He added: We have only said that we are willing to hold a meeting, and explained that the truth about our rights over the Malvinas Islands is becoming increasingly clear. Asked again about the possible answer he will receive about the Argentine Government's willingness to achieve such a meeting, he answered smilingly: Well, I do not know. That is a different thing. If I answer that question it would seem as if I am asking for that meeting. /Excerpt/ /Buenos Aires TELAM in Spanish 1345 GMT 8 Oct 85/

SEIZURE OF ITALIAN PASSENGER SHIP CONDEMNED--Buenos Aires, 8 Oct (TELAM)--The Argentine Government today condemned the seizure of an Italian passenger ship yesterday in the Mediterranean Sea, hoping that the victims of this terrorist attack will be immediately released. In this regard, the Foreign Ministry has issued the following communique: Public opinion is again shocked and angry to learn about renewed terrorist actions, which violate the rights of the people, incite people to hatred and vengeance, and irresponsibly jeopardize peace and coexistence. This time, an Italian passenger ship in the Mediterranean has been the target of a terrorist attack. The ship's crew and passengers have been taken hostage to force the release of prisoners of a third country. The Argentine government, consistent with its unswerving policy of absolute rejection of all terrorist actions, condemns this new action perpetrated by fanatic groups and expresses its solidarity with the victims, the relatives of the victims, and the governments of the kidnap victims, hoping that they will be immediately released. In conclusion, it is necessary once again to facilitate the conditions conducive to holding talks and negotiations over international conflicts so that criminal actions will never be presented as legitimate actions. /Text/ /Buenos Aires TELAM in Spanish 2325 GMT 8 Oct 85/

ALFONSIN MEETS MILITARY CHIEFS--Buenos Aires, 17 Oct (NA)--President Raul Alfonsin has been meeting with the defense minister, the chief of the Joint Staff, and with the chiefs of staff of the three forces. Presidential spokesman Jose Ignacio Lopez has reported that aspects related to joint planning within the armed forces are being discussed at the meeting. President Alfonsin, Defense Minister Roque Carranza, Defense Secretary Horacio Jaunarena, Joint Staff Chief Gen Teodoro Waldner, Army Chief of Staff Gen Hector Rios Erenu, Navy Chief of Staff Adm Ramon Arosa, and Air Force Chief of Staff Ernesto Crespo are attending the meeting, which is being held at the Olivos presidential residence. /Text/ /Buenos Aires NOTICIAS ARGENTINAS in Spanish 2300 GMT 17 Oct 85/

GROUP SEEKS ALFONSIN'S OUSTER--Buenos Aires, 17 Oct (NA)--Two metropolitan newspapers today received anonymous telephone calls from a self-styled "Revolutionary Military Force" /Fuerza Revolucionaria Militar/, which declared itself to be "in operation" until "President Alfonsin is overthrown" and until a military triumvirate is created. A proclamation attributed to Gen Teodoro Waldner, chief of the Joint Staff; Gen Hector Rios Erenu, chief of staff of the army; and to Adm Ramon Arosa, navy chief of staff, was read to the two newspapers. Obviously, the proclamation has not been taken seriously. The telephone calls were received after 1600 local time /1900 GMT/, a few minutes apart, at the offices of the newspapers CRONICA and DIARIO POPULAR. It seems that the same recorded proclamation was played in both cases. The anonymous caller emphasized "the historic role" of the armed forces, criticized the constitutional government and described the current situation as "untenable." He said that "in the face of these circumstances the armed forces must be prepared" and thus a "decision has been made to request the resignation of President Alfonsin and to call upon the military commanders." The self-styled "Revolutionary Military Force" has made a call for "engaging in operations to overthrow Alfonsin and installing a military triumvirate." /Text/ /Buenos Aires NOTICIAS ARGENTINAS in Spanish 2025 GMT 17 Oct 85/

FORMER COMMANDER UNDER HOUSE ARREST--Buenos Aires, 16 Oct (DYN)--Army chief Gen Hector Rios Erenu has taken disciplinary measures against former III Corps Commander Maj Gen Eugenio Guanabens Perello, retired. The retired major general has been placed under house arrest for 10 days for questioning the method used to grant a salary increase for army personnel on active duty. Reliable sources said the Guanabens Perello pointed out that the "loan" sought to supplement the meager salaries of active duty personnel, and which does not benefit retired personnel, does not consider the situation of Malvinas widows or widows of personnel who died in the struggle against subversion. The sources added that Gen Rios Erenu believes that Guanabens' questioning of the "loan" was inappropriate and therefore applied the sanctions "to discipline the institution." Guanabens Perello is the second retired general disciplined in just over 1 week. A few days ago, another high-ranking official, Gen Pedro Mansilla, retired, who also commanded the III Corps was arrested for 30 days, after having a strong argument with Rios Erenu during a military ceremony. Guanabens Perello who belongs to the artillery was retired in 1983 when Gen Jorge Arguindegui, who had less seniority than Guanabens, was appointed army commander. /Text/ /Buenos Aires DYN in Spanish 2248 GMT 16 Oct 85/

DOMESTIC TRADE UNDERSECRETARY RESIGNS--Domestic Trade Undersecretary Evangelino Gomez has confirmed that he has submitted his resignation from his post. /Summary/ /Buenos Aires Domestic Service in Spanish 1600 GMT 30 Sep 85/

CSO: 3348/71

BRAZIL

SIX TRAINED IN NICARAGUA NAMED; MILITARY TRAINING DESCRIBED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Sep 85 p 9

[Article by Roberto Godoy: "United States Reveals Names of Six Brazilians"]

[Text] Last July six Brazilians were taking military training in Nicaragua, finishing the last step of an instruction program lasting a little over 4 months. A high-level source in the U.S. Government revealed yesterday that these Brazilians were not the first to receive this type of training in Nicaragua, which includes tactics for rapid actions, patrolling, tracking and ambushing, among others. The Nicaraguan foreign office denied this report yesterday in a communique distributed in Managua: "It's the same old story. We are not going to take this accusation seriously. We are a nation that acts legally and we do not support terrorism." The Brazilian ambassador in Managua, Luis Fernando Nazareth, also said he had no knowledge of the presence of Brazilian terrorists in this country. In Brasilia, a high-ranking army officer preferred not to comment on the subject, asserting that he "does not know the source of the report or what interests may have led the high-level source in the U.S. Government to make such assertions."

Group In Last Stage of Instruction

At least six Brazilians, including two women, known as "Diogo," "Mario II," "Mota," "Rodrigo," "Maria Julia" and "Verita," were in Nicaragua in July, receiving military training at a field set up 11 kilometers from the nation's capital, Managua. They are not the first. Since the beginning of the guerrilla movement in 1975, several Brazilians, mainly those exiled abroad for belonging to leftist groups made illegal and driven underground by the military governments, have joined the Sandinist forces. The six young people (all about 23 years of age) there now are also volunteers.

According to a high-level source in the U.S. Department of Defense attached to the South Command, stationed in Panama, "the group was in the final stage of a standard instruction course lasting a little more than 4 months, usually divided into three phases. Only persons considered effective reach this last stage. The Brazilians were at that level during July."

The cycle includes individual tactical training (rapid actions, patrolling, tracking, security measures, ambushing, preparation for camping, troop leadership and familiarization with four types of assault rifles, hand grenades, anti-tank

rockets, two submachineguns and three different pistols), followed by an intermediate course to identify the best specialists. The instructors, almost always Cubans, go on to more complex problems, such as tactical operations of attack and defense and map reading for topographical reconnaissance. Weapons handling tends toward heavy machineguns such as the P30 and P50 or the M60/MAG, as well as the 55 and 75 mm recoilless guns. The guerrillas learn something about ballistics, to operate 60, 81 and 120 mm mortars. For the first time, the course includes use of conventional explosives for purposes of demolition or sabotage.

Elite

The last 6 weeks are devoted to training an elite eventually destined for command. A theoretical course is conducted under the heading "Weapons and Organization." The members of the class are subjected to a massive dose of political indoctrination, before having access to more sophisticated knowledge: precision-firing technique, use of explosives with high destructive power, construction of concealed fortifications in cities or in the forest, highly efficient propaganda methods, and exercises for physical conditioning, similar to those given Palestinian combatants. The base has a simulated airport for practicing attacks on air terminals, an area for hand-to-hand combat, a target range and a "preserve" where homemade bombs made by the volunteers are set off.

There are now 2,000 Cubans in Nicaragua, in addition to 100 Soviets and 235 East Germans, Bulgarians, Czechs, Poles and Hungarians. About 50 Libyans and Palestinians are now responsible for preparing pilots of attack helicopters and for teaching reconnaissance strategy by means of electronic equipment in the border region with Honduras. Facing this contingent, the United States has 16,270 men, of which 1,500 are stationed permanently. Under their supervision a substantial system of logistic support was established, made up of airports for both military and civilian use, anti-tank shelters, advance observation posts, strong supply lines and a large military hospital, associated with a network of first-aid stations, capable of caring for up to 10,000 cases simultaneously.

Doubt

The six Brazilians identified by the intelligence services in Nicaragua "are probably not terrorists prepared to return to their country with the mission of disseminating subversion and making assaults. They are probably sympathizers with the Sandinist cause who voluntarily chose to participate in the armed struggle," the same South Command source analyzes, saying that "any other conclusion at this time would be merely a dangerous assumption." According to the official, however, "the Nicaraguan leaders themselves have declared that they are diligently fostering the internationalization of their people's revolution, carrying the movement to Honduras, El Salvador, Costa Rica, Guatemala, Peru, Colombia, Chile and, with less success, Guyana and Suriname, employing different methods in the different countries."

8834
CSO: 3342/2

BRAZIL

ARMY RECEIVES AERIAL DEFENSE ELECTRONIC EQUIPMENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Sep 85 p 7

[Article by Roberto Godoy]

[Text] The prototype of the first electronic anti-aircraft fire control center built in Brazil, the Fila, developed by Avibras Aerospace, will have its first test firing within 90 days, at the Marambaia proving grounds in Rio de Janeiro. In the test, the equipment--received officially yesterday morning in Sao Jose dos Campos by the army minister, Gen Leonidas Goncalves--will be linked to 35-mm Oerlikon guns, imported from Switzerland and used on a regular basis by the artillery, and the new 40-mm Bofors guns, whose Swedish technology has been transferred for domestic manufacture.

Although involving the most ambitious research program ever conducted by the Brazilian Army, yesterday's ceremony was short and simple: General Leonidas limited himself to expressing thanks for the brief greeting of engineer Joao Verdi Carvalho Leite, president of Avibras; he signed the protocol for delivery of the prototype and was given a commemorative plaque. (Plaques were also given to Gen Diogo de Oliveira Figueiredo, representing the Ordnance Department, and Col Severo Silva Filho, chairman of the ministry's commission responsible for monitoring the project.)

Market

The unit received by the army minister is the first of 13 to be made by September of 1988. To execute this order, Avibras will receive \$130 million, but the army's plan is for 140 Fila centers at a final cost estimated at \$1 billion.

According to the firm's marketing director, engineer Pedro Vial, "a good part of this amount will be offset by exports of materiel, initially for some of the traditional clients of Brazilian defense equipment." In fact, according to sources in the Trade Promotion Department of the Foreign Affairs Ministry, Iraq and Libya "have a lively interest" in acquiring Fila.

It is the first fire control center to incorporate high-resolution "ka" type radar, for use in adverse conditions, a 32,000-byte minicomputer and a YAG neodymium tracking laser that cannot be detected by the alarm sensor of the attacking aircraft which the center is trying to shoot down, launching supersonic missiles against it or firing high-cadence guns capable of firing 2,100 rounds per minute. The market price of the Fila today is \$12 million, and the expectation of Avibras is to place at least 100 units on the market during the next 10 years.

BRAZIL

STUDY PROJECTS ONE OF LARGEST GRAIN CROPS SINCE 1980

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 85 p 31

[Text] Rio de Janeiro--Brazil this year will have one of its best grain crops since 1980, forecast at 59.2 million tons, according to a study by the agricultural director of the Brazilian Institute of Geography and Statistics, Charles Kurt Mueller. The study notes, however, that the major factor for this crop arises from the output of soybeans, cotton and wheat, representing 83 percent of the increase, to the detriment of the output of basic foodstuffs.

In the document "The Bumper Crop of 1985: Characteristics and Problems," Mueller questions the concept of "grain" that lumps together the output of soybeans, corn, rice, oats, rye, barley, black beans, wheat, sorghum, peanuts, castorbeans and cottonseed. He points out "this year's output of the major foodstuffs was far from constituting a record."

For example: "The output of rice in the 1985 crop year--about 9 million tons--declined in relation to the previous crop year and particularly in comparison with the output of 1980 and 1982. The 1985 output of black beans, although greater than that of last year, is quite inferior to that of 1982. The crop of Irish potatoes did not surpass those of last year and 1982. The output of cassava, although significantly greater than that of the two previous crop years, was less than those of 1981 and 1982."

The IBGE [Brazilian Institute of Geography and Statistics] director adds that "the output of basic foodstuffs in the current crop year might have been even less" if it had not been for the favorable climatic conditions, especially in the Center-South.

The major thrust of this year's crop, he said further, arose from the increases in the output of soybeans (17.6 percent, or 2.3 million tons greater than the previous crop), cotton (44 percent increase) and wheat (86.9 percent increase), representing 83 percent of the increase of 6.4 million tons of grain in this year's harvest.

The study further points out that, "generally, it was not the farmer who benefited from this year's bumper crops, especially in the case of those that expanded the most. Analysis of the real prices received by producers, measured at May 1985 prices, of the principal products of Brazilian agriculture, shows increases for rice, the supply of which declined, or products whose prices are administered by the government--coffee and sugar cane. The crops whose supplies increased greatly showed declining prices in real terms."

BRAZIL

PRC CONTRACTS FOR OIL PROSPECTING SERVICES IN CHINA SEA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Oct 85 p 30

[Text] A contract worth \$300,000 to evaluate areas in the East China Sea Basin and train in Brazil Chinese geologists and specialists in the production of oil and natural gas was signed in Beijing by BRASPETRO [Petrobras International, Inc.], Petrobras subsidiary, with the Sinochen firm, China's state enterprise for petroleum development.

The announcement was made in Rio de Janeiro yesterday by the president of Petrobras, Helio Beltrao, upon returning from a trip to China, where he examined the prospects for increasing trade between the two countries through greater participation by Petrobras and its subsidiaries.

Brazil currently imports about 45,000 barrels of oil daily from China, Brazil's fourth largest supplier, exceeded by Iraq, Saudi Arabia and Nigeria. It is a heavy type of oil, similar to that produced by Petrobras, and for this reason difficult for the company to absorb. This is why, as reported by Beltrao, that Petrobras is trying to procure lighter oil in China, which will happen in the case of the last four deliveries of this year, of about 500,000 tons.

Beltrao considers China to be a highly promising market for Brazil, so much so that he foresees the possibility of trade in both directions increasing from the current level of \$1 billion to \$1.2 billion. Brazil's exports to China will bring in revenues of \$600 million this year; 26 percent of this total represents sales of steel (China is Brazil's largest buyer) and iron ore. China's receipts from sales to Brazil should total \$400 million this year, almost exclusively from exports of petroleum.

In China, where he spent 2 and 1/2 of a total of 13 days of travel, the Petrobras president left in its finishing stages another BRASPETRO contract, for transferring Brazilian know-how in offshore oil production in advance systems, such as those in the Campos Basin.

Beltrao confirmed the visit to Brazil on 30 November of Chinese Prime Minister Zhao Ziyang, with whom he met in Beijing. The Petrobras president was also received by the president of the Bank of China, Mo Hua, who also will be part of the Chinese prime minister's delegation.

CHILE

OAS HUMAN RIGHTS GROUP'S REPORT REJECTED

PA151316 Havana International Service in Spanish 2310 GMT 14 Oct 85

/Commentary: "Our America"/

/Text/ Gen Augusto Pinochet has described as unacceptable and discriminating the report from the OAS Human Rights Commission, which expands on the repressive measures being enforced in Chile. The report admits that the use of torture in Chile has not been the result of individual excesses but of a deliberate policy adopted by the military government and carried out since 11 September 1973. According to the commission, the measures institutionalized by the Chilean authorities include the transfer of arrested people to secret installations, the extension of arrest periods, and the use of military tribunals to handle various crimes.

The report underscores that Pinochet's regime has used various actions to eliminate its opponents, and lists among them the disappearances and summary executions decreed during processes without legal guarantee; in addition, it lists torture and indiscriminate violence against public demonstrations. The Inter-American Human Rights Commission's report underscores that union activities in Chile are facing grave obstacles and limitations, even though the labor movement has organized in five large central federations which have established agreements and carried out joint actions to struggle for the return of democracy.

The commission's general conclusions stressed that the limiting measures and the state of emergency further worsen the Chilean political crisis. In this regard, the report refers to the state of emergency which has been in effect in Chile since 1973. Political analysts believe that the Inter-American Human Rights Commission's document contributes to the isolation of Augusto Pinochet's regime in the hemisphere. The Chilean military regime's isolation has become increasingly evident in Latin America and the Caribbean; nevertheless, it has--as it has, historically--the support of the United States, which is, after all, its creator.

CSO: 3348/75

CHILE

INCIDENTS LEAVE 17 WOUNDED IN SANTIAGO

PY162202 Santiago Domestic Service in Spanish 1630 GMT 16 Oct 85

/Text/ (?According to a) police report, 17 people, among them 2 reporters and 2 Carabineros, were wounded with bullets and pellets during several violent incidents in Santiago last night. This information is included in the last official Carabineros report released to the press.

The report states that the first incident took place at 2045, when (Simon Jeveniz Jeveniz), 42, the owner of sotres located at the corner of Las Industrias Avenue and Lovalle Street, used a shotgun to disperse a crowd of some 150 people who were trying to loot his stores. Two individuals received slightly serious wounds and two reporters of the newspaper FORTIN MAPOCHO and of CAUCE and APSI magazines were slightly wounded. Other journalists were also covering the incident.

According to the report, as the businessman saw the approaching crowd throwing stones and other objects, he used a shotgun to protect his small child and to disperse the crowd. This would have been the fifth time his stores were looted.

In another incident at 2140 at the corner of La Feria Avenue and Departmental Street, a Carabineros member was attacked, apparently with shotgun fire, by individuals who were trying to rob stores in the area. Carabineros 2nd Crp Belisario Soto Cornejo was wounded with metal pellets in his nose.

At 2245, (Oscar Bahamondes Gonzalez), 15, Roberto Colombo Valdes, 16, and (Mauricio Beroisa Salas), 16, reported to First Aid Station No 4 with slight, serious, and slightly serious rubber pellet wounds, respectively. The youths said they had been on Andacollo Street between Larrain and (Mamia) Streets, where some 100 people were promoting disorder and attacking policemen, who repelled the aggression. Carabineros 2nd Crp Angel Carrizo Bueno was wounded during this incident. The agitators also caused substantial damage to a vehicle owned by the (Penalolen) City Hall.

After midnight, five individuals reported to Ramon Barros Luco Hospital. Three of them had slight pellet wounds and the two others had serious bullet wounds. These five people, whose names have not been released, were attacked by unknown people from a passing white car at the corner of Americo Vespucio Avenue and Juan Antonio Rios Street.

(Ricardo Nancunan Hualme), 53, (Maria Carril Canizeo), and Guillermo Fuentes were wounded by unknown people from a passing white pickup truck. (Nancunan) received slightly serious pellet wounds in his arms, (Carril) slightly serious pellet wounds in her abdominal region, and Fuentes serious bullet wounds.

According to the police report, subversive criminals detonated a hand grenade at a bus stop on the Pedro de Valdivia-(Blachao) route, at the corner of the San Daniel and La Estrella Streets, in the Pudahuel District. The bus stop was damaged.

CSO: 3348/75

CHILE

JUNTA STUDIES PROPOSED 1986 BUDGET OF \$761 MILLION

Santiago LA NACION in Spanish 3 Oct 85 p 9

[Text] Three plans were submitted for study by the legislative branch during the course of that agency's regular session. The most significant proposal relates to the law on budgets for the fiscal year of 1986. The latter will amount to 984.133 billion pesos, or its equivalent of \$761 million.

Another proposal being studied relates to the amendment of Article 2 of Law 18,134, to increase, during 1986 and 1987, the government funds for paying for certain items stipulated in the law, and also to raise the appropriations that the state makes available, or schools free of charge.

Finally, the bill was introduced which provides the states' guarantee or the bonds issued by State Railroads, for the purpose of reconciling the economic situation being experienced by that company.

Message

Santiago, 26 September 1985.

I submit for your consideration the draft budget law for fiscal year 1986.

Article 1 of the aforementioned draft contains the estimated amounts of the public sector's revenue and expenses, which total 984.133 billion and U.S.\$761 million for the budgets cited in national currency and foreign currency converted into dollars, respectively, and correspond to the consolidation of the fiscal sector's budget, to which are added the revenue and expenses of the other public sector services and institutions. These amounts do not include the budgets of the state enterprises, which are governed by legal provisions other than the aforementioned Law on Financial Administration.

The fiscal sector's budget is contained in Article 2, with a level of revenue and expenses totaling 762.558 billion in national currency and U.S.\$ 618 million in foreign currency, constituting the funds received and spent by the treasury on direct programs and transfers to the ministries.

The draft also calls for a consolidated fiscal debt, in both currencies, equivalent to 208.243 billion. Considering the fact that this same sector will

make amortizations amounting to 126.166 billion, the net deficit in the proposed budget will be 82.077 billion.

It should be borne in mind that the amounts of expenditure incorporated into the draft budget have been decided on the basis of medium-term estimates compatible with a price of \$0.70 per pound for copper. Nevertheless, considering the depressed tendency in the price of this metal noted during the past few months, it has been deemed feasible to incorporate for the financing of the 1986 budget an assumption of a price of \$0.65. The difference between the level of expenditure in the draft, and the financing based on the aforementioned assumption would be covered with a larger debt. If, next year, there should be an increase in the price of copper which, as an annual average, exceeded the aforementioned estimated price of \$0.65, the larger revenue generated by that item would be allocated to reduce the level of the debt taken into account in this draft law.

Consistent with what has been stated previously, the projected deficit is based essentially on the persistence and intensification of a deterioration in the terms of exchange, as a result of which there must be an adjustment in the recovery of the national economy through a more harmonious development among the intervening sectors, reducing the state's competition with the private sector to procure financing, and thereby avoiding pressure for a rise in the domestic interest rate. On the other hand, the combination of the amount of the public debt proposed and the credit requirements of the other sectors of the economy is compatible with the overall funds available for next year, of both internal and external origin.

The proposal was devised in a context of austerity, maintaining the reductions in current expenditures and fostering investment. The product of those savings has been directed toward persevering in the financing of the various social programs, intended to meet the basic needs of the most dispossessed population.

For the reasons expressed, I request your approval for the draft law that I attach which, in view of its features, inasmuch as both the period for submission and the effective term are stipulated in the Political Constitution, does not require a request for special legislative negotiation for its approval, without precluding its possible study by a joint commission.

(1) **PROYECTO DE LEY**

(2) **Ley de Presupuestos del Sector Público año 1986**

(3) **I. CALCULO DE INGRESOS Y ESTIMACIONES DE GASTOS**

(4) **ARTICULO 1º.** - Apruébase el Cálculo de Ingresos y Estimación de los Gastos del Presupuesto del Sector Público, para el año 1986, según el detalle que se indica:

(5) A. — En Moneda Nacional:

(6) En Miles de \$

	(7) Resumen de los Presupuestos de las Partidas	Deducciones de Transferencias Intra Sector	(8) Valor Neto (9)
(10) INGRESOS	1.050.882.349	66.748.978	984.133.371
(11) Ingresos de operación	99.047.258	24.380.276	74.666.982
(12) Imposiciones previsionales	62.613.831		62.613.831
(13) Ingresos tributarios.	559.427.725		559.427.725
(14) Venta de activos.	30.369.579		30.369.579
(15) Recuperación de préstamos	21.652.444		21.652.444
(16) Transferencias	51.580.539	42.368.702	9.211.837
(17) Otros ingresos	62.934.000		62.934.000
(18) Endeudamiento	150.836.910		150.836.910
(19) Operaciones años anteriores	1.684.022		1.684.022
(20) Saldo inicial de caja ...	10.736.041		10.736.041
(21) GASTOS	1.050.882.349	66.748.978	984.133.371
(22) Gastos en personal.	139.130.712		139.130.712
(23) Bienes y servicios de consumo	54.386.798		54.386.798
(24) Bienes y servicios para producción.	9.038.209		9.038.209
(25) Prestaciones previsionales	265.296.261		265.296.261
(26) Transferencias corrientes	291.209.660	65.538.751	225.670.909
(27) Inversión real	81.300.186		81.300.186
Inversión financiera (28)	34.046.275		34.046.275
Transferencias de capital.	21.437.438	1.210.227	20.227.211
Servicio de la deuda pública.	129.423.278		129.423.278
Operaciones años anteriores	14.317.658		14.317.658
Otros compromisos pendientes	4.310.864		4.310.864
Saldo final de caja (33)	6.985.010		6.985.010

(34) B. — En Moneda Extranjera convertida a dólares:

(35) En Miles de US\$

(7)	Resumen de los Presupuestos de las Partidas	Deducciones de Transferencias Intra Sector.	(8)	Valor(9) Neto
INGRESOS .(10)...	773.344	12.230		761.114
Ingresos de operación (11)	311.397			311.397
Ingresos tributarios (13)	42.590			42.590
Venta de activos (14)	10			10
Recuperación de préstamos (15)	4.457			4.457
Transferencias (16)	12.230	12.230		
Otros ingresos (17)	-198.693			-198.693
Endeudamiento (18)	579.540			579.540
Operaciones años anteriores (19)	3			3
Saldo inicial de caja (20)	21.810			21.810
GASTOS .(21).....	773.344	12.230		761.114
Gastos en personal (22)	49.867			49.867
Bienes y servicios de consumo (23)	92.405			92.405
Bienes y servicios para producción (24)	425			425
Prestaciones previsionales (25)	184			184
(26) Transferencias corrientes	14.934	770		14.164
(27) Inversión real	10.786			10.786
(28) Inversión financiera ...	61.517			61.517
(29) Transferencias de capital.....	111.051	9.800		101.251
(30) Servicio de la deuda pública.....	423.797	1.660		422.137
(31) Operaciones años anteriores	244			244
(32) Otros compromisos pendientes	699			699
(33) Saldo final de caja	7.435			7.435

- (36) **ARTICULO 2°.** - Apruébase el Cálculo de Ingresos Generales de la Nación y la estimación de los aportes fiscales en moneda nacional y en moneda extranjera convertida a dólares, para el año 1986 a las Partidas que se indican:

	En miles de \$ (6)	En miles de US\$ (35)
(37) INGRESOS GENERALES DE LA NACION:		
(11) Ingresos de operación	43.537.641	300.130
(13) Ingresos tributarios	559.427.725	42.590
(14) Venta de activos	560.548	
(15) Recuperación de préstamos	11.110	
(16) Transferencias	4.001	
(17) Otros ingresos	50.197.295	-249.252
(18) Endeudamiento	108.589.845	523.940
(20) Saldo inicial de caja	230.100	800
(38) Total ingresos	762.558.265	618.208
(39) APORTE FISCAL:		
(40) Presidencia de la República	1.475.982	1.578
(41) Poder Legislativo	1.096.675	
(42) Poder Judicial	3.615.915	
(43) Contraloría General de la República	1.233.547	
(44) Ministerio del Interior:		
- Presupuesto del Ministerio	4.878.049	3.200
- Fondo Nacional de Desarrollo Regional	3.800.000	
- Fondo Social	9.781.108	
- Municipalidades	1.431.318	
Ministerio de Relaciones Exteriores	1.033.750	54.891
Ministerio de Economía, Fomento y Reconstrucción	1.773.777	
Ministerio de Hacienda	6.577.638	4.823
Ministerio de Educación Pública	103.871.991	
Ministerio de Justicia	11.513.218	
Ministerio de Obras Públicas	26.287.391	
Ministerio de Agricultura	4.120.433	
Ministerio de Bienes Nacionales	314.196	
Ministerio del Trabajo y Previsión Social:		
- Presupuesto del Ministerio	1.128.379	
- Instituciones de Previsión	207.443.156	
Ministerio de Salud Pública	27.765.414	
Ministerio de Minería	1.530.297	1.596
Ministerio de la Vivienda y Urbanismo	15.888.042	
Ministerio de Transportes y Telecomunicaciones	457.471	
Secretaría General de Gobierno	737.755	560
Programas Especiales del Tesoro Público:		
- Subsidios	62.976.481	
- Operaciones Complementarias	67.316.966	109.057
- Deuda Pública	113.124.000	367.651

Key to Charts:

1. Draft Law
2. Public Sector Budget Law for 1986
3. I. Calculation of revenue and estimates on spending
4. Article 1. Approval is to be given for the calculation of revenue and estimates on spending in the public sector budget for 1986, based on the breakdown of items indicated:
 5. A. In national currency
 6. In thousands of pesos
 7. Summary of the budgets for the items
 8. Deductions of intrasector transfers
 9. Net amount
 10. Revenue
 11. Operating income
 12. Social security taxes
 13. Tax income
 14. Sale of assets
 15. Recovery of loans
 16. Transfers
 17. Other revenue
 18. Debt
 19. Operations of previous year
 20. Initial cash balance
 21. Expenditures
 22. Expenditures on personnel
 23. Consumer goods and services
 24. Goods and services for production
 25. Social security benefits
 26. Current transfers
 27. Real investment
 28. Financial investment
 29. Capital transfers
 30. Public debt service
 31. Operations of previous years
 32. Other pending commitments
 33. Final cash balance
34. B. In foreign currency converted into dollars:
 35. In thousands of U.S.\$
36. Article 2. Approval is to be given for the calculation of general revenue of the nation and the estimate of the fiscal contributions in national currency and in foreign currency converted into dollars, for 1986, to the items indicated:
 37. General revenue of the nation:
 38. Total revenue
 39. Fiscal contribution
 40. Presidency of the Republic
 41. Legislative Branch
 42. Judicial Branch

43. Office of the Comptroller General of the Republic
44. Ministry of Interior
45. Budget of the ministry
46. National Regional Development Fund
47. Social fund
48. Municipalities
49. Ministry of Foreign Relations
50. Ministry of Economy, Development and Reconstruction
51. Ministry of Finance
52. Ministry of Public Education
53. Ministry of Justice
54. Ministry of Public Works
55. Ministry of Agriculture
56. Ministry of National Assets
57. Ministry of Labor and Social Security
58. Social security institutions
59. Ministry of Public Health
60. Ministry of Mines
61. Ministry of Housing and Urban Development
62. Ministry of Transportation and Telecommunications
63. General Secretariat of Government
64. Special public treasury programs
65. Subsidies
66. Supplementary operations
67. Public debt

2909

CSO: 3348/50

CHILE

PRIVATE SECTOR PARTICIPATION IN SOCIAL SECURITY INCREASING

Santiago LA NACION in Spanish 8 Oct 85 p 6

[Text] The country's labor force paying into the new AFP [Civil Servants Association] social security system, based on the latest statistics, totaled 3.5799 million persons, representing 57.95 percent of the total volume of social security.

Similarly, 1.2 million workers are affiliated with the private mutual system, which covers risks of work accidents and occupational diseases; while 156,112 individuals are paying into the ISAPRES. Finally, over a million persons are affiliated with the equalization funds.

The foregoing information was announced by the rector of the Gabriela Mistral University, Alicia Romo, who underscored the increasing participation of the private sector in the social security area in Chile.

The academic authority stressed that this change which, until less than a decade ago, was inconceivable, is not only a reality in our country at present, but is such in the United States as well, and in other highly developed countries.

Evaluation

Alicia Romo noted that this greater private sector presence in the social security area and the role which it is playing and will be playing in the social security field in the future, have, precisely, created the unavoidable necessity of making a critical evaluation of its management on the highest level.

In this connection, the academic said that, because of the foregoing situation, a highly qualified, multi-professional team would analyze the private management of the AFP, the ISAPRES and the mutual associations, during the course of a seminar to be held at Gabriela Mistral University next Thursday and Friday.

She emphasized that Prof Paul Ellwood, Jr, top-ranking authority in the organization of the United States' health system and inspirer of the health maintenance organization model which created the ISAPRES, would participate as a special guest in this meeting, which will be attended by academics, professionals and both business and labor leaders interested in the administration of social security funds.

Rector Alicia Romo pointed out that the seminar is aimed at procuring a complete picture of the current situation, so as to suggest changes or reinforcement that will lead to the fulfillment of the social goal being pursued.

Speakers

The remarks at the meeting will be initiated by the former labor minister, Patricio Mardones, and the managers of the Chilean Insurance Association and the Chilean Chamber of Construction, Eduardo Undurraga and Manuel Ravest, respectively, will speak subsequently.

Taking part in the discussion of the AFP will be Alfonso Mujica, from the Association of Pension Fund Administrators, and Sergio Baeza, head of the Santa Maria AFP, as well as Jorge Bunster, an economist.

The ISAPRES health system will be analyzed by Dr Francisco Quesney and Eduardo Fernandez, chairman of the ISAPRES Trade Union Association and general manager of BANMEDICA.

Authorities from the Labor Ministry, many labor leaders and prominent figures in the social security field have been invited to the seminar.

2909

CSO: 3348/50

CHILE

MAIPU HOMEOWNERS REQUEST MEASURES TO LESSEN DEBT BURDEN

Santiago LA NACION in Spanish 8 Oct 85 p 4

[Excerpts] Various measures aimed at solving the problem stemming from the payment of mortgage dividends in UF [Development Units], including having the interest on the debt not exceed 4 percent per year and the monthly payment for this item not exceed 25 percent of the debtor's net income, are being studied by the Ministry of Housing, at the order of the General Secretariat of the Presidency.

These programs are included in a series of proposals sent to that agency by the Communal Union of Neighborhood Boards of Maipu, also noting that these solutions should benefit all the housing debtors with mortgage debts of up to 1,500 UF who are up to date or overdue without a limit on arrears.

The minister of housing himself, Miguel Angel Poduje, confirmed this report during the Mayors Congress held recently in Puyehue, an occasion on which he indicated that these proposals were being studied in his ministry.

In conjunction with this, the community entity has proposed that the interest charged for each monthly dividend should not exceed the amortization, as is happening at present; while requesting that, until there is a final solution to this problem, all foreclosures and judicial injunctions should be stopped.

Recontracting

This is the second time that the Communal Union of Neighborhood Boards of Maipu has sent a petition associated with this subject to Minister Sinclair. The first petition was submitted to him in February 1983, later resulting in the recontracting of debts, which benefited not only the residents of that municipality owing mortgage dividends in UF, but also all those in the country who were in that position.

In the note of 21 August, the agency told the head of the ministry that they had recourse to him so that he might convey this concern to the head of state, "because we are certain of the great social sensitivity that has inspired the government headed by the president of the republic."

At the same time, the neighborhood leaders remarked that the majority of the mortgage debtors had procured their housing based on a great personal effort,

not making use of any type of subsidy, and trusting only in the good results of the economic policy.

The text, which bears the signatures of Samuel Santibanez Escobar, chairman, and Luis Allende Armijo, secretary, adds that the affected community does not want to be given anything as a gift, but does want a real solution, based on its current economic situation, so as to be able to faithfully fulfill its contracted commitments; because this payment would assure the creditors of the recovery of their investment, "although more slowly, but surely."

Participation

With regard to this possible solution, leader Santibanez told LA NACION that, with this event, there is certain proof that the institutional system is working.

"The fact that a neighborhood organization can reach the president of the republic without any problems or any intermediary is convincing evidence of participation; because the rank and file can voice its concerns and the government is heedful and provides a solution."

He added that these petitions resulted from the fact that, in Maipu, there are approximately 200 small towns and cooperatives in which all the residents are undergoing this problem, particularly in the settlement of Volcan Antuco, where the settlers have received foreclosure orders for not having paid the dividends on time. Samuel Santibanez concluded by saying: "This is an effort for the good of the community, dissociated from any kind of proselytism, the only goal of which is to seek the benefit of the owners, so that, in this way, they can pay for their homes in peace."

2909

CSO: 3348/50

CHILE

JPRS-LAM-85-093

6 November 1985

BRIEFS

FRUIT CULTIVATION AREA INCREASED--The National Statistics Institute has reported that 110,000 hectares of fruit tree plantations were registered in May of this year. This represents an 8.4 percent increase over last year. /Excerpt/
/Santiago Domestic Service in Spanish 1100 GMT 10 Oct 85/

NEW BANK ASSOCIATION PRESIDENT--Jorge Yarur has resigned to the presidency of the Bank Association for health reasons. Vice President Ignacio Delfine will occupy his position. /Summary/ /Santiago Domestic Service in Spanish 1100 GMT 11 Oct 85/

PICKUP TRUCKS SOLD TO POLICE--The vessel "Mercandian Prince II" is loading in Santos 100 GMC C-10 Pickups for the Chilean Police (Carabineros) thus completing this year's order (350 units have already been shipped on the same vessel). Negotiations have already been held for a new order for next year. The shipment was accompanied by three Chilean representatives who came specially for this purpose to Brazil. They are: Lt Col Guillermo Barros Fernandez, Capt Juan Sales Valenzuela, and Maj Victor Payacan Gutierrez. Another delegation headed by Maj Mateo Meyer Matos came to Brazil last August to see the truck production and the shipping conditions in Santos. The Chilean police want the pickups to arrive in Valparaiso port ready for use, therefore they have already been painted black and white and completely equipped (with radio communications, sirens, backup lights, blinkers). They have already been transformed into vans for transporting prisoners. In addition to the pickups the Chilean police also have GM-OPAL cars equipped for police use. The Carabineros currently have a fleet of more than 1,800 Brazilian-made vehicles and, according to the Carabineros, "They are sold after 3 years for private use at an excellent price, thus allowing the constant renewal of the police vehicle fleet."
/Excerpts/ /Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 85 p 30/

MINING EXPLOSIVES EXPORTED--At the opening of the Second Symposium of Blasting Specialists organized by the University of Chile's School of Physical Sciences and Mathematics, it was announced that Chile is exporting nearly \$100 million worth of explosives annually to bordering countries. Santiago Pinilla, professor in the Mine Engineering Department and chairman of the organizing commission, said that blasting is one of the most important operations in the mining industry owing to its significant costs and output. The reduction in costs brought about by lower prices of minerals has underscored "the excellent technique of the native engineers" in the work, "at minimal cost and with major achievements." He explained that if the blasting is done poorly in gold mining, it causes a decline in the grade of the mineral. In Chile, there are five companies manufacturing explosives, whose technicians, together with academics and other specialists, will exchange opinions and views for three days at this study conference.
[Text] [Santiago LA NACION in Spanish 4 Oct 85 p 7] 2909

COLOMBIA

LIBERAL PARTY REQUESTS LEGAL RECOGNITION

PA111523 Bogota Television Service in Spanish 0000 GMT 11 Oct 85

/Text/ The complex problem regarding the registration of political parties at an electoral court is beginning to untangle. The National Registrar /Registraduria Nacional/ and the Electoral Court have confirmed that the registration of parties is not mandatory, and that, therefore, obtaining legal status or official recognition has no legal connotations. In other words, the political organizations that do not register will function normally and legally. An example of this is the Conservative Party, whose National Directorate is headed by Guillermo Velez and Donald Rodrigo Tafur. Here is Registrar Humberto de la Calle, who was consulted on the matter.

/Begin De la Calle recording/ The documents on which the law is based clearly state that the law is optional. The following is the legal framework: The law offers incentives for the parties that register, but no party is obliged to do so. For this reason a constitutional amendment is being proposed to permit the Congress to issue a future law on compulsory registration of political parties, which cannot be implemented at this time for constitutional reasons. /end recording/

However, the Liberal Party headed by presidential candidate Virgilio Barco did request official recognition as a political party at the Electoral Court. Although no statutes were presented with the request, the documents included some political principles, a proposal by the national convention regarding its leadership, an anthem, and a red flag as a symbol. The request was submitted by secretaries Guillermo Plaza, Ana de Uribe, and Maria Elena de Crovo. The latter referred to the New Liberalism's new status once the official Liberal Party is granted legal recognition.

/Begin Crovo recording/ According to the law, New Liberalism will be considered a movement within the Colombian Liberal Party. /end recording/

CSO: 3348/76

COLOMBIA

BRIEFS

ECOPETROL REGISTERS LOSSES--Bogota, 10 Oct (DPA)--The state-owned Colombian Petroleum Enterprise /ECOPETROL/ registered losses of approximately \$300 million as of this past September, it was reported in Bogota by Colombian Mines and Energy Minister Ivan Duque Escobar. Likewise, ECOPETROL President Alfredo Carvajal Sinisterra asserted that the losses could go higher. ECOPETROL's losses were provoked by the subsidy given for internal fuel consumption and the impact of the peso's devaluation vis-a-vis the U.S. dollar, which this year might surpass 47 percent, particularly concerning the foreign debt and the purchase of oil, which is carried out in foreign exchange. /Text/ /Hamburg
DPA in Spanish 2131 GMT 10 Oct 85/

CSO: 3348/76

ECUADOR

PRESIDENT ON CENTRAL AMERICAN PROPOSAL; NO OIL OUTPUT CUT

PA091552 Quito Voz de los Andes in Spanish 1130 GMT 9 Oct 85

[Text] President Leon Febres Cordero has announced in Guayaquil that he will make some political proposals regarding the Central American problem. He said that these proposals will perhaps not be liked by many people, but they will make people realize that it is necessary to give a new focus to the Contadora Group and to the conflict-ridden Central American situation.

He said he is in favor of searching for viable solutions and of facing the problem pragmatically and realistically.

He said: As long as there are no legitimate popular elections in Nicaragua so that all the Nicaraguan people may enjoy the right to govern themselves and to choose their future without excluding anyone and without clubs, big sticks, or violence, as long as they don't have this, we are going to have fire in Central America.

He added: I have said that it is true that Contadora is loaded with good intentions, but I have not forgotten that the road to hell is paved with good intentions.

The president has been involved in activities in homage to the city of Guayaquil.

The president said yesterday in this city that Ecuador will never reduce its oil production. He also noted that the conflict-ridden situation in Central America remains.

Referring to the OPEC meetings, the Ecuadoran president said he is aware of the fact that the price of oil in the international market depends on the supply and demand factor, but noted that Ecuador's production level is so small compared to 14 or 15 million barrels that it has no impact on OPEC.

To ask us to reduce our production is the equivalent of asking us to starve to death, and we are not going to do that ever, he said.

The president also referred to the Contadora matter.

ECUADOR

BRIEFS

FINANCE MINISTER ON TOUR--Ecuadoran Finance Minister Francisco Swett begins an extensive tour today that includes his participation in the annual meetings of the IMF and the World Bank in Seoul, South Korea, and an official visit to the PRC. He will also visit several European countries. He will begin his trip in New York and from there he will go to Seoul where he will attend the IMF and World Bank meetings. He will then go to Tokyo from there he will travel to Beijing for an official visit to the PRC for 7 to 9 days. During his visit to the PRC, he will study the possibility of establishing trade relations between the two countries. As is known, Foreign Minister Edgar Teran visited the PRC a few months ago for the same purpose. After his visit to Beijing, Swett will continue on to Rome and Madrid on visits to obtain credits. It is not known whether he will make a stopover in the United States on his return. [Text] [Quito Voz de los Andes in Spanish 1130 GMT 1 Oct 85 PA]

CSO: 3348/81

PARAGUAY

COLORADO DISSIDENT LEADER ON NATIONAL ACCORD ACTIVITIES

PY100225 Asuncion EL PUEBLO in Spanish 9 Oct 85 pp 4-5

/Interview with Waldino Ramon Lovera, president of the Colorado Popular Movement, MOPOCO, by unidentified reporter; no time or place given/

/Excerpts/ /Unidentified Reporter/ What are the specific activities in which the National Accord /AN/ is now engaged?

Lovera: The work by the AN may be divided into two stages. During the first stage, the AN political project was launched under the slogan: "Unity will make us free." At that time, the AN was driven by a purely political motivation, that is, it worked for the lifting of the state of siege, for the declaration of a broad amnesty, for the abolishment of repressive laws--like Law No 209, which condones political persecution--for the amendment of the electoral law, and for the dismantling of the repressive apparatus. That is to say, the AN tried to create the conditions for eliminating the rule of force and for ensuring the full enforcement of the law. I believe that this was the first stage in which the AN worked very hard. Now the AN is in a second stage in line with its broader platform, which was agreed upon in August 1984. The AN is trying to use its political guidelines to formulate the socioeconomic proposals the Paraguayan people need. This second and very important stage will certainly inspire great hope in the Paraguayan people.

/Reporter/ What are the specific difficulties the AN is confronting and how has the current escalation of repression affected it?

Lovera: The AN is confronting the problems arising from the autocratic system, which impedes political development, especially in the case of multiparty groups. AN activities are strongly restricted, particularly at the grassroots level. The repressive actions by "political bosses" are much stronger in rural areas than in the capital. Thus, small communities live in permanent anxiety and fear. This is how the dictatorship at the grassroots level.

/Reporter/ Can the AN force a political change in our country?

Lovera: I want to make clear that the AN is promoting a peaceful change. We are convinced that our country must be spared the sort of violence it has endured and tolerated for the last 31 years.

/Reporter/ Dr Lovera, please list the AN actions that the government has repressed and tell us how this repression has worked....

Lovera: The dictatorship wants to discredit the AN because it knows the AN is the main barrier against authoritarianism. The regime has always tried to drive wedges. The dictatorship has driven wedges not only into political parties, but also into the church, into the army, into the business sector, and into the students. Even the labor sector has been divided. Worst of all, those who hold Paraguayan power have cleverly driven wedges in all the strata of Paraguayan society, even in our own families. Thus, the best answer we could give to the regime is to end that division. To do this, we have to seek integration. The AN is the first positive step that has awakened a hope for a democratic and institutional change in our country. The regime has tried to make the AN appear as a group of divided parties, a group in which disagreement and chaos prevail. This is the government's main objective. Another government objective is to depict the AN as a destabilizing factor for the regime of "peace and prosperity." However, I believe the AN actions have proven that the dictatorship's charges are false. Such charges have been leveled in an attempt to halt AN growth. But despite all this, we are making progress. The AN has already succeeded in eliminating old sectarian hatreds and the political cannibalism that has always emerged during party campaigns. The AN, which has revealed the crisis this old regime is going through, will play a very important role in the post-Stroessner period, when we will have to consolidate a true democracy on the basis of national reconciliation.

/Reporter/ What is the role played by the MOPOCO in the AN?

Lovera: The MOPOCO, or rather the MOPOCO members, were separated from the great Colorado Party precisely because of our democratizing efforts. Initially, we supported Stroessnerism, trusting their promise to overcome the disagreements stemming from the stupid civil war in 1947, a war in which both sides and, in the end, our own people suffered the painful consequences of that great disagreement among Paraguayans. General Stroessner had pledged to bring peace and to overcome that disagreement. He essentially promised our party freedom, democracy, and an institutionalization process conducive to the full effectiveness of the state of law. When General Stroessner foresook that premise, a sector later known by the acronym MOPOCO, had to pay the consequences for its democratic challenge within the party, and it was sentenced to a 25-year banishment. Abroad we managed to remove our blinders. We were able to get away from this unyielding, repressive environment and we realized that the MOPOCO had to be completely open internally and externally. Internally, we are struggling to achieve party unity based on democratization and respect for the people's sovereignty.

Externally, we have opened up and we have prompted this multiparty movement along with the fraternal parties participating in the NA. The MOPOCO is a founding member of the NA and it is committed to upholding its banners until democracy is achieved in our country. I want to point out that the NA intends to achieve democracy and not establish itself as a superparty. According to the NA's charter, each party keeps its individual standing and its platform. Nevertheless, all parties are committed to establishing democracy in our country.

/Reporter/ Regarding the current victims of repression within the MOPOCO, what is your movement doing about it and what support is it getting from the NA?

Lovera: The tasks being carried out by the MOPOCO's executive board cover two aspects. We have reported that the MOPOCO has been the target of a repressive escalation contradicting the president's promises and those of the Interior Ministry, stating that after returning from 25 years of unfair exile, we would be able to carry out our political activities with our rights and freedom completely guaranteed. However, ever since we returned--around December 1983--we have been the target of all kinds of outrages and abuses of authority, besides the oral terrorism implemented by the Interior Ministry, aimed at halting the MOPOCO's growing prestige within our own party and also within the national political spectrum. At this time, we are going through difficult times, with four of our leaders and fellow party members being arrested. Some of them have been held incommunicado in Caragatatay since 6 September 1985. Through note No 395, the Interior Ministry reported that Riera is being held in detention in keeping with the powers established for the executive branch by Art 79 of the National Constitution. For the legal actions conducted by the Supreme Court of Justice, which is conditioned by 31 years of the Stroessner regime, the police report suffices for the case to be filed away without further proceedings. This ruling by the judicial branch means those who are arrested under Art 79 of the Constitution simply will not receive a trial. Mister Alejandro Stumpfs, our second vice president, has been held in detention in the military jurisdiction of Mbuyapey since 6 September. The Supreme Court of Justice has not properly processed the habeas corpus writ filed by our attorneys. It has not summoned Stumpfs or asked for reports on his detention by the office of the Armed Forces commander in chief. The office of the armed forces commander in chief has not answered the petition and the Supreme Court did not bother to take any steps in this regard.

Miguel Angel Gonzalez Casabianca was arrested on 14 September and is subject, under the state of siege, to the arbitrary will of the executive branch. In addition, this repressive escalade has also affected fellow party member Marcelino Corazon Medina, who is the leader of the Farmers' Coordinating Committee. Medina is being held incommunicado in the Rigoberto Caballero Hospital due to his delicate state of health. He has been on a hunger strike in an attempt to regain his freedom. This repression will not silence the MOPOCO protests against the outrages that were committed. The people will not be silenced when the general call is demanding a return to the state of law and a reunification of all the Colorado Party members. As an example of this repression let me mention the incident when Enrique Riera, first vice president of the MOPOCO executive board, invited the interior minister to hold a debate which was to be broadcast on television about national current events. On that occasion, Riera reproached the minister for using his speeches to accuse the MOPOCO of being "subversives, bomb hurlers, etc."

Instead of facing the criticism to which any public man is exposed, the interior minister had no other civilized reply but to send him to prison for violating Art No 79 which condemns him to an indefinite and arbitrary imprisonment. A similar thing happened to Miguel Angel Gonzalez Casabianca, MOPOCO foreign relations secretary. His task of establishing contacts with other governments

and political parties abroad has been considered as subversive, therefore he was imprisoned. A case that cannot be understood is that of fellow party member Alejandro Stumpfs because he has been placed under military jurisdiction instead of common justice, as would correspond in the case had he actually committed a crime. Therefore, Stumpfs, a dear and brave Colorado democrat, is currently imprisoned in a garrison. Regarding Corazon Medina, his preaching among the peasants is well known. He encourages them to take care of their health and to become self-sufficient in their planting rather than planting things that do not benefit their impoverished sector.

CSO: 3348/68

PARAGUAY

STREET VENDORS DEMONSTRATION LEADS TO VIOLENCE

PY180108 Asuncion Red Privada de Teledifusora Paraguaya Television in
Spanish 2300 GMT 17 Oct 85

[Announcer-introduced video clip showing crowd of demonstrators on the main street of the city of President Stroessner, police officers trying to calm them down. Some demonstrators are waving Paraguayan flags and signs saying: "Let us work."]

[Text] The eviction of street vendors today unleashed a demonstration that led to some violence. Mayor Carlos Barreto Sarubbi took action to resolve the situation and here is our report from Puerto President Stroessner.

[Begin clip; unidentified reporter] [shouts and police whistles in the background] Street vendors of San Blas and Monsignor Rodriguez Avenues of President Stroessner today protested a municipal resolution evicting them from these avenues. Our correspondent Isidoro Villamayor sent us this film, which clearly shows that at one point the demonstration developed into a confrontation between police officers and vendors whom the former tried to evict.

People started running in different directions, a store owner fired into the crowd and according to reports, two people were wounded and a child was trampled by the crowd.

The demonstration was sparked by a municipal resolution evicting the street vendors from the main avenues of this city, and approximately 1,200 street vendors were left practically jobless.

Things calmed down later in the day when Mayor Carlos Barreto Sarubbi showed up at the site of the demonstration and promised a solution, which was implemented shortly after midday. This is what he promised:

[Barreto] All right, as of 1400 today, there will be a solution but you will help. You will install your stands not on the sidewalk but on the street. We will ban parking along the San Blas and Monsignor Rodriguez avenues, so you will be able to install your stands on the street. [shouts of approval] [end of clip]

PARAGUAY

OPPOSITION COALITION DENOUNCES REPRESSION

PY102017 Asuncion EL PUEBLO in Spanish 9 Oct 85 p 7

/Communique issued by the National Accord in Asuncion on 27 September 1985/

/Text/ As is publicly known, new repressive measures have been taken against social and political leaders of the Colorado Popular Movement /MOPOCO/, which is a civic force that has been a full member of the National Accord since its foundation.

The following MOPOCO members have been arrested in this order: Enrique Riera (first vice president), Alejandro Stumpfs (second vice president), Miguel Angel Casabianca, former president and secretary for foreign matters; and peasant leader Marcelino Corazon Medina.

Gonzalez Casabianca has been detained and held incommunicado at the police central barracks since 14 September, accused of having violated Art 79 of the National Constitution. According to a controversial Supreme Court ruling 31 years ago, the courts cannot overrule an executive branch action taken under Art 79, which has been used arbitrarily, and thus they cannot protect those having the misfortune to be punished under this article.

Our fellow party member Marcelino Corazon Medina has also been held incommunicado in the Political Department of the Interior Ministry since 14 September, deprived of his legal rights and guarantees. As a result of his worrisome situation and in an ultimate gesture of protest, Emdina has started a hunger strike and he is now in a critical state of health.

The increase of these unfair and illegal restrictions is inconsistent with promises by the president and the interior minister that the MOPOCO would be respected and would have its civic rights guaranteed.

We also express our concern over the abuses and excesses committed by the government. These abuses and excesses, which have surpassed all bearable limits, are not conducive to peaceful coexistence with opposition groups and reflect an irrational disregard for the proposal for peaceful change, supported by the National Accord.

We hold the government responsible for the consequences of this wave of persecution, which inflicts undeserved offenses on the population, and causes an obvious setback to the country's civic life.

The much-desired national reconciliation we are all patriotically seeking is being discouraged by the violation of sacred rights, such as individual freedom, physical integrity, and personal security. In these hours of confusion and unrest that threaten to lead the nation into a bitter and uncertain destiny, the ruler has the supreme duty of watching over the preservation of these aspirations.

After more than 3 decades of absolutism, the fulfillment of our people's ideals of freedom and peace should not be postponed.

The Coordinating Executive Board of the National Accord urges that this contemptible repression be stopped and voices its solidarity with the MOPOCO members, whose rights are trampled and who have been persecuted and arrested on their return to the fatherland after 25 years of unfair exile. /Signed/ Waldino Ramon Lovera, MOPOCO; Fernando Vera, Febrerista Revolutionary Party; and Miguel Abdon Saguier, Authentic Radical Liberal Party.

CSO: 3348/68

PARAGUAY

BRIEFS

DETAINED OPPOSITION MEMBER ENDS FAST--Peasant Leader Marcelino Corazon Medina, now hospitalized in the Rigoberto Caballero police hospital, yesterday suspended his hunger strike in order to negotiate his freedom with the authorities. Carlos Medina, Marcelino's brother, has told HOY that if no agreement is reached his brother will resume his hunger strike. Marcelino Corazon Medina, chairman of the Farmer's Coordinating Committee, was detained on 20 September, and had been on a hunger strike until yesterday to demand his release. At first, he was held at the Political Department of the Interior Ministry; but in view of his hunger strike, he was taken to the above-mentioned hospital. Corazon Medina was arrested under Art 79 of the Constitution, that is, by virtue of the state of siege. "When I visited him on 9 October," Carlos Medina said, "He told me that yesterday he would suspend his strike in a gesture of goodwill to negotiate his release, although without getting any promises or conditions from the authorities." Carlos Medina also asserted that Americo Ferreira, a priest of the Beato Roque Gonzalez de Santa Cruz Parish, is concerned over the case and has convinced Medina to suspend the strike in order to negotiate with government officials. "My brother hopes that his decision to end his fast will help him regain his freedom. He noted, however, that he would resume the strike if he were not freed in 5 to 8 days," Medina's brother said. /Text/ /Asuncion HOY in Spanish 11 Oct 85 p 8/

ARGENTINES BARRED FROM MEETING MOPOCO LEADER--Asuncion, 9 Oct (AFP)--The Paraguayan police have prevented two Argentine deputies from the ruling Radical Civic Union /UCR/ party from meeting today with Colorado Popular Movement (MOPOCO) opposition leader Miguel Angel Gonzalez Casabianca, who was arrested and held incommunicado over 20 days ago, the Argentine lawmakers themselves have reported. Deputies Juan Jose Cavaglieri and Horacio Huarte, from the Chamber of Deputies Foreign Relations Committee, have made it clear that they are very concerned over the fate of the three MOPOCO leaders, who were joined by peasant leader Marcelino Corazon Medina. The latter is currently holding a hunger strike. During a radio interview, the UCR politicians stated that their concern over the human rights situation in Paraguay is not meddling in Paraguay's international affairs but is motivated by humanitarian reasons. We had hoped to be able to talk with Gonzalez Casabianca but we are leaving in frustration because we were not allowed to meet him, Huarte said. The MOPOCO leader, who was allowed to return to Paraguay after 25 years in exile, was arrested along with MOPOCO members Enrique Riera and Alejandro Stumpfs although the latter were banished to the interior of the country. /Text/ /Paris AFP in Spanish 2352 GMT 9 Oct 85/

OPPOSITION MEMBERS RELEASED--It has been reported that several members of the Colorado Popular Movement [MOPOCO] have been released. They are: Miguel Angel Gonzalez Casabianca, Enrique Riera, and Alejandro Stumpf, who had been banished to different parts of the country. These MOPOCO members had been detained and banished on charges of having violated the Law on Defense of Public Peace. No further details have been released. [Text] [Asuncion Radio Primero de Marzo in Spanish 2230 GMT 16 Oct 85 PY]

NEW JAPANESE AMBASSADOR--Japanese Ambassador Jutaro Sakamoto this morning presented his credentials to President Alfredo Stroessner in the presence of Foreign Minister Carlos Augusto Saldivar. [Summary] [Asuncion ULTIMA HORA in Spanish 11 Oct 85 p 8 PY]

CSO: 3348/78

PERU

INCONSISTENCIES SEEN IN APRA PUBLIC WORKS INVESTMENT POLICY

Lima PERU ECONOMICO in Spanish Sep 85 pp 12-15

[Text] During the excitement of his most recent mountain area tour, an untiring President Garcia stressed to the point of boredom the need for redirecting public investment toward small-scale projects, with little investment but with a major social effect, particularly on the generation of employment. "I have repeatedly said that the goal of this government is not large-scale infrastructural projects," reiterated President Garcia, while at the same time deleting, with the stroke of a pen, municipal palaces and various road projects from the Punto Development Corporation's [CORDEPUNO] investment program. He declared in conclusion, amid the consternation of the officials who were present, "... I think that the program of action of both the corporation and other institutions is marked by a traditional quality that is still a vestige of the previous government."

There was every indication that the National Development Institute (INADE), created in 1983, was among those referred to. Nevertheless, this agency's budgetary appropriation, which represents 3.23 percent of the total public sector budget for 1985, has increased to 6.55 percent in the plan for 1986, being the budget schedule that has increased by the largest proportion. What has occurred? Wasn't INADE, with its impressive array of major projects, one of the mainstays of "Belaundism's" construction platform, which the new government had pledged to dismantle? What strange phenomenon has made it possible for the budgetary appropriation set for the little known institute to rise from 771.527 million soles in 1985 to over 3.4 billion in 1986? Aren't the major hydraulic projects on the coast and the ambitious development projects in the jungle (with the marginal highway in between) the antithesis of "small-scale projects with little investment but with large generation of employment and a major social effect" that President Garcia has been promoting throughout the length and breadth of the country?

"We shall color the sand pit green," proclaimed Fernando Belaunde, upon opening the Condoroma dam in May of this year. To date, the Peruvian state has invested over \$700 million in the works of the Majes Project, and needs at least \$200 million more to irrigate, starting in 1986, the 20,000 additional hectares (unquestionably the most expensive farming land in Peru) which the project calls for in its first phase. Majes has become the pharaonic prototype and

the colossal evidence of a certain "development style" based on iron, cement and foreign financing. For better or for worse, that model has exploded under the pressure of the international crisis involving the Latin American debt, casting shadows on the viability of projects which aspired to follow a similar course: Olmos and Chavimochic, among others.

Nevertheless, there are some who are not easily resigned. It is no secret to anyone that the bulk of the La Libertad congressional representatives are heating their engines to give an impetus, in 1986, to the execution of works for the Chavimochic project which, during recent years, has been receiving a token appropriation in the INADE budget, only to keep the dream alive and to run a small office in Trujillo. And so that the Santa's waters may timidly reach Chao (the first of the La Libertad valleys to be irrigated by the project) by 1990, a critical election year, the work must begin next year without further delay, and intensively.

Inasmuch as the fiscal situation will not allow the languishing Peruvian state to undertake with its own resources enterprises of such scope, there are some who are considering resorting to the system of international public bidding with complete financing; in other words, the international contractor, lending the money that Peru lacks, would also set the terms for payment, providing the equipment and technology. Needless to say, considering the proposals of the Peruvian Government regarding the foreign debt, there should not be too many interested in signing a new contract for \$700 million, which is what Chavimochic would cost, tentatively. Nevertheless, this has not discouraged the determined La Libertad promoters, who have apparently found approval in certain sectors of the Ministry of Economy and Finance, and the National Planning Institute for a substantial increase in the budget appropriation for the project next year, hoping in the dream of "complete financing." After all, "God and Victor Raul were born in Trujillo," claims a veteran Aprista, and it would be difficult to find a better reward for such a very loyal district than its most cherished project.

In other instances, there are technical problems intervening. For example, the Gallito Ciego dam (the main structure of the Jequetepeque-Zana Project) embarked upon a critical phase in September 1984, when the diversion of the Jequetepeque River occurred; and it was estimated that the project should be completed by September 1987, at the latest. It is argued that a delay in the work would jeopardize the dam itself, because of the ever present possibility of an unusual runoff from the river before the structure has reached a suitable height. As a result, the rate of construction on the project (financed by an exceptionally soft loan from the German development banks) will have to be hastened in 1986, hence requiring a larger budget appropriation.

The jungle was President Belaunde's favorite region. In a beautifully published report hastily distributed during the last week of his term, the out-going INADE administration underscored the accomplishments of the 1980-85 period: "The Jaen-San Ignacio-Bagua, Alto Mayo, Huallaga Central and Bajo Mayo, Alto Huallaga, Selva Central, Madre de Dios, Ucayali-Chontayacu and Purus projects have opened for Peruvians a vast horizon of territory, work, life and a prosperous future, which even the political adversaries have magnanimously admitted

to the present government"; concluding by stating that, during the 5-year interval from 1980 to 1985, "The development experienced by the Amazon jungle border zone, on the eastern slope of the third Andean mountain range, has no parallel in our history."

In fact, \$500 million in financing arranged for the upper jungle projects attests to the effort expended to make Fernando Belaunde's dream a reality. Judging from the preliminary figures published on the 1986 draft budget, the relative weight of the special jungle projects will continue on the same level as in preceding years, and it may even be heightened, based on the rate of execution of the operational plans and disbursements coming from the agreements signed with the international financing entities. For example, this is the situation of the Alto Huallaga Project, with financing from the AID [Agency for International Development], which is due to be completed in 1986. The Sisa irrigation works and the Gera hydroelectric power plant in the Huallaga Central and Bajo Mayo Project (with Spanish financing) are also in a critical phase.

The status of two projects financed by the IDB [Inter-American Development Bank] (Pichis and Jaen-San Ignacio-Bagua), which are halfway completed, is different, making it more feasible to reschedule their construction, particularly in the case of the major road infrastructural component of the Pichis Project, which includes the construction of a section approximately 57 kilometers long on the Marginal Highway, between Puerto Bermudez and the Palcazu River. In this connection, a high-ranking INADE official, surviving from the former administration, claims: "The fact is that there is not much leeway for rescheduling the investment in the jungle during 1986; however, we shall attempt to redirect the projects that are just beginning, for which purpose we are holding talks with the financing agencies. What we do agree upon is the elimination of some highways."

On the other hand, the same official is shocked by the cut undergone by the only project being carried out by INADE in the area of the present government's priority region: the Andean trapezoid: "In the talks with the INP [National Planning Institute], they assured us that our Central-South-Sierra Project would have a priority appropriation. However, in the Ministry of Economy they cut us nearly 40 percent. With what they have given us we shall be unable to execute any significant project."

Hence, the imbalance is being perpetuated: If the text of the draft submitted by the Executive Body to the Congress is retained, INADE would allocate 46 percent of its budget for the projects located in the jungle, 48 percent for the hydraulic projects on the coast, and only 2.7 percent for the mountains; in other words, virtually nothing for the towns whose support the president has sought.

The case of INADE attests to the extent to which the work of one government can impose conditions on that of its successor. It confirms the feasibility of arriving at decisions on the execution of the major national development projects; and it shows the difficulties that exist for redirecting execution of public spending, over the very short term (aside from impassioned statements).

COSTO TOTAL DE LOS PROYECTOS DE DESARROLLO

(1)	US\$
PROYECTOS ESPECIALES (SELVA) (2)	504'950,000
--- Jaén-San Ignacio-Bagua	95'000,000
--- Huallaga Central y Bajo Mayo (Alto Mayo y Sisa y Gera)	172'100,000
--- Desarrollo Selva Central (3)	
(Pichis, Palcazú, Oxapampa, Satipo, Chanchamayo)	195'350,000
--- Alto Huallaga	26'500,000
--- Rehabilitación y Desarrollo de los Ríos Ucayali, Chontayacu y Purús (4)	16'000,000
--- Madre de Dios	
PROYECTOS DE EMERGENCIA (SIERRA) (5)	19'150,000
--- Sierra-Centro-Sur (6)	12'875,000
--- Micro Regionales (7)	6'275,000
PROYECTOS HIDRAULICOS (COSTA) (8)	6,067'500,000
--- Chira-Piura	701'600,000
--- Tinajones	394'400,000
--- Olmos	1,500,000,000
--- Jequetepeque-Zaña	210'500,000
--- Chavimochic	698'000,000
--- Chinecas	
--- Majes-Siguas	2,563'000,000
COSTO TOTAL DE LOS PROYECTOS DE DESARROLLO (9)	6,591'600,000

Fuente: INADE, Memoria 1980-85. (10)

Key to Table 1:

1. Total Cost of the Development Projects
2. Special projects (jungle)
3. Central jungle development
4. Rehabilitation and Development of the Ucayali, Chontayacu and Purus Rivers
5. Emergency projects (mountains)
6. South-central-mountains
7. Micro-regional projects
8. Hydraulic projects (coast)
9. Total cost of the development projects
10. Source, INADE, 1980-85 Report

FINANCIAMIENTO DE LOS PROYECTOS ESPECIALES EN SELVA
(Millones US\$)

(1)	Contrapartida (2) Nacional	Endeudamiento (3) Externo	Donación (4)	TOTAL
1. Huallaga Central y Bajo Mayo	27.5	19.0	---	46.5
--- Irrigación Sisa y Central (5)	13.6	21.1	---	34.7
--- Hidroeléctrica Gera (6)				
2. Alto Mayo	31.6	49.0	---	80.6
3. Alto Huallaga	8.5	15.0	3.0	26.5
4. Desarrollo Selva Central (7)				
--- Pichis	40.7	46.0	---	86.7
--- Palcazú	8.0	18.0	4.0	30.0
--- Satipo-Chanchamayo (1)	27.5	40.0	---	67.5
--- Oxapampa (2)	6.7	6.2	0.8	13.7
--- Pachitea-Von Humboldt	---	---	1.5	1.5
5. Jaén-San Ignacio-Bagua	52.2	42.8	---	95.0
6. Madre de Dios (3)	---	---	---	---
7. Ucayali-Chontayacu-Purús	4.8	11.2	---	16.0
TOTAL	221.1 (44.3%)	268.3 (53.8%)	9.3 (1.9%)	498.7 (100%)

(8) (1) Incluye US\$18' en Contrapartida de un Préstamo Concertado: Banco Mundial-Banco Agrario.

(9) (2) Por concertar el Primer Trimestre de 1985.

(3) Se está terminando el estudio de factibilidad donde se definirá el costo total del Proyecto.

(10) Fuente: Convenios de Préstamo en Proyectos Especiales.

(11) Elaboración: INADE, Memoria 1980-1985.

Key to Table 2:

1. Financing of the Special Jungle Projects (in millions of U.S.\$)
2. National counterpart
3. Foreign debt
4. Donation
5. Sisa and central irrigation
6. Gera hydroelectric
7. Central jungle development
8. (1) Includes U.S.\$18' as counterpart of an arranged loan: World Bank-Agrarian Bank
9. (2) To be arranged the third quarter of 1985
10. (3) The feasibility study that will determine the total cost of the project is being finished
11. Source: Special Projects Loan Agreements, compilation: INADE, 1980-85 Report

(1)

PROYECTOS HIDRAULICOS EN LA COSTA			
(2) Nombre del Proyecto	(3) Mejoramiento de Tierra (Hás.)	(4) Incorporación de Nuevas Tierras (Hás.)	(5) TOTAL (Hás.)
Chira-Piura	115,900	40,000	155,900
Jequetepeque-Zaña	49,600	16,400	66,000
Tinajones	100,000		100,000
Chavimochic	92,990	38,778	131,768
Olmos	32,000	80,000	112,000
Majes		57,000	57,000
Chinecas	31,322	20,641	51,963
TOTAL	421,812	252,819	674,631

(6)
Fuente: INADE, Memoria 1980-1985.

Key to Table 3:

1. Hydraulic Projects on the Coast
2. Name of the project
3. Land improvement (hectares)
4. Incorporation of new land (hectares)
5. Total (hectares)
6. Source: INADE, 1980-85 Report

2909

CSO: 3348/42

PERU

BRIEFS

GOVERNMENT CHECK BOUNCES--The check for 20 billion soles which President Garcia took to Puno has undergone more than one vicissitude. A few days after its receipt, the corporation deposited it in its account, and began drawing. Nevertheless, it received a call from the General Directorate of the Treasury requesting that the check be returned inasmuch as the investment and counterpart fund needed money in other parts of the country, and CORDEPUNO [Puno Development Corporation] lacked that much capacity for immediate spending. Those in Puno protested, saying that they would return the check, provided the treasury would send them a draft authorization for the same amount. Within a few days, the treasury complied, authorizing the 20 billion soles, but with the warning that they could not be used, also because funds were lacking. The people in Puno became obstinate again, and retained the check in question. Now, in Puno, for lack of 30 billion soles, there are 40 billion; and the treasury is facing one of its most unusual shortages. [Text] [Lima PERU ECONOMICO in Spanish Sep 85 Insert] 2909

TEXTILE INDUSTRY WORK WEEK--Yesterday, the textile industry proposed working on Saturdays and Sundays to create 6,000 additional jobs, during the discussion held between the National Association of Industries and the government's economic team. The textile industry generates \$1 out of every \$3 for non-traditional exports, and \$2 out of every \$3 for traditional exports. During 1984, the textile firms earned for the country \$8 for every dollar spent on importing supplies. [Text] [Lima EL COMERCIO in Spanish 29 Sep 85 p A-1] 2909

MINISTER ON AIR AGREEMENT--In statements for the "Expanded News" program of Radioprogramas del Peru, Transportation Minister Jose Murgia has commented that at this time there are no obstacles in the negotiations on a civil air agreement with the United States. Murgia stated that the negotiations could lead to the signing of the air agreement by December 1985, or January or February 1986. /Begin Murgia recording/ In fact, in recent comments made on this issue, I stated that I was optimistic about finding a solution as soon as possible. To a persistent question by one of your peers on whether this issue could be settled by year's end, I told him that I hoped so. However, all international negotiations can encounter sudden complications--or better said, revisions--which could lead us to settle this commercial air agreement in December 1985, or January or even February 1986. Now then, I have already commented on the basis for negotiations on this agreement. Both the Peruvian and U.S. Governments agree that they must discuss the civil air agreement, as

I have mentioned before, without the participation of third parties and focusing only on civil air matters. I would like to add something on this occasion: the five-point negotiations on air rights are being conducted in an unhindered manner; and I repeat, in accordance with the respective regulations, the negotiations with the U.S. authorities will focus only on civil air matters. /end recording/ /Text/ /Lima Radiogramas del Peru in Spanish 2335 GMT 14 Oct 85/

CSO: 3348/74

SURINAME

DISSENSION AMONG ANTI-BOUTERSE EXILES IN HOLLAND

Amsterdam DE TIJD in Dutch 6 Sep 85 pp 8-18

[Report on interviews with Surinamese resistance leaders Chin a Sen, Andre Haakmat and others: "Resistance, Treason, Reconciliation"; in Amsterdam, dates not given]

[Text] When the Surinamese resistance is in the news, it is often because of incidents--quarrels, attacks and weapon finds--and meanwhile the focus on the anti-Bouterse movement in the Netherlands is getting thoroughly obscured. A report from the quagmire: Haakmat's little schemes, messages from Paramaribo, firing practices and Gandhi versus Dracula, the approaching departure of Chin a Sen and the Moluccan scenario.

"The Bouterse regime needs enemies to draw attention away from its own failures," says Henk Chin a Sen.

These are the words of the former prime minister of Suriname, who has been the unsalaried resistance leader in Southeast Amsterdam for 2 1/2 years. Not too long ago Paramaribo was full of posters with his image. On it, he was portrayed as a vampire with a dollar sign over his head. A grotesque extortioner, a mercenary from the United States--that is how Desi Bouterse unmasked his former first citizen as an enemy of the revolution.

Henk Chin a Sen smiles at the anecdote.

Recently he was in the news because Paramaribo was said to have sent a "murder commando" to the Netherlands in order to prepare his early funeral. Right afterward, Army Commander Bouterse asked the Dutch Government to clarify the reports. Bouterse was very surprised--curiously enough not so much because he had been connected with murder missions, but because Chin a Sen has been mentioned as a target. And the commander stated most graciously that Chin a Sen, "once my best friend," had nothing to fear from him; he did not form /any threat whatsoever/ to Suriname.

From Enemy of the State number one to harmless ex-friend; that is the opposite of what a resistance leader dreams of as his career. But Chin a Sen smiles. "The resistance treads a narrow path," he says.

Battle for Power

Chin a Sen's position was more comfortable at one time.

When on 8 and 9 December 1982 the military power had executed 15 formidable opponents during escape, the sadness and anger were sufficient to get all of Bouterse's critics behind one cause: Suriname had to be liberated from the military terror.

Under the leadership of Andre Haakmat, Surinamers in Amsterdam established the Eight December Movement. This organization persuaded Chin a Sen to place himself at the forefront of the resistance against Bouterse. Whoever had objections to Chin a Sen swallowed them because the goal dictated unity. Only the leftist Surinamese organization LOSON kept aloof; it was opposed to both Bouterse and Chin a Sen, who, after all, had been at Bouterse's side for a long period of time. And naturally the Bouterse fans in the Netherlands also stood aside. Even before the Council for the Liberation of Suriname became a fact, they had already formed the resistance against the resistance in the form of an organization with the grandiloquent name League of Surinamese Patriots.

Thus opposition against the government in Paramaribo was almost unanimous, at least from the outside. Within the resistance a struggle for power has been waging from almost the very beginning. Mr drs Haakmat, a top minister under Bouterse and Chin a Sen, a political juggler and specialist in clever schemes, designed "on request" a structure for the organization of the resistance. The plan outlined a "political" liberation council under the leadership of Chin a Sen along with an "executive" council. Not everyone in Haakmat's surroundings was surprised when it turned out that Haakmat was to occupy the post of secretary general in that executive council. The scheme amounted to Haakmat taking responsibility for the liberation of Suriname and Chin a Sen being permitted to cut the ribbon on the quay of Paramaribo when the time came.

Haakmat, now an attorney in Amsterdam, explains that he did not covet the post of secretary general, but that others determined that he ought to take that serious responsibility upon himself. "Agreements were made with Chin a Sen on that division, but he did not stick to those," says Haakmat.

Chin a Sen on this: "Most of the supporting groups did not want to include Haakmat in the council. Then he came with a plan in which he became secretary general and thus could attract all the power to himself. That was not accepted."

And next? "Then I thought: I'd better be wise," says Haakmat.

"Back by Christmas"

The liberation council set to work. Chin a Sen could regularly be found on intercontinental flights. He tried to find support in the struggle against Bouterse and attempted to get Bouterse's regime diplomatically isolated. Bouterse, too, often got on an airplane. The international support he sought

was primarily of a financial nature. Neither of them booked impressive successes.

During the course of 1983 strikes broke out in Suriname which almost brought the military to their knees. The liberation council did not know how to take advantage of that. The council had no strategy, had too few contacts in the country, and was surprised by the actions. Bouterse remained in power. But it cannot last much longer, Chin a Sen cheered. "By Christmas I'll be back in Suriname."

Instead, it was the Bijlmermeer [Amsterdam suburb]. Meanwhile impatience increased in the ranks of the liberation council. But what could be done? Chin a Sen had promised the Dutch Government that the council would respect the Dutch rule of law in its actions and, therefore, would not prepare an invasion in Suriname. According to Haakmat, Chin a Sen had made that promise of his own accord, a "concession" which resulted in considerable criticism of him in the council.

Haakmat says that subsequently a little plan was thought up in the council. "A division of work was agreed upon. There was to be a /shadow council/ which would prepare military actions against Bouterse. I was charged with the coordination of those plans, and Chin a Sen would continue to lead the legitimate council. That agreement was made with Chin in the presence of witnesses."

[Question] What's that now? Did Chin a Sen speak with two tongues when he promised the Dutch Government that the council would refrain from such actions?

Chin a Sen, curtly: "An underground council? I don't know anything about that." And those agreements cited by Haakmat? "No agreements were made with me."

Haakmat explains that subsequently he was brought into contact with a Captain Van Haperen, who was willing to give a hand to the Surinamese resistance. Hindustan financiers, according to what middlemen told Haakmat, were willing to pay for an invasion if Chin a Sen agreed to it. At that point Haakmat got lost, in his own words. Gerard van Westerloo and Elma Verley (VRIJ NEDERLAND) already revealed once what happened subsequently: Twice Van Haperen prepared the resistance for an invasion which did not take place, then he disappeared without a trace (except for one trace which led to a major in the Counter Intelligence Service) having unburdened the resistance of three hundred thousand guilders and two illusions.

Dracula

In spite of the failure of these touching adventures, impetuous representatives of the Surinamese resistance readied themselves once again for an attempt to drive Bouterse out of Fort Zeelandia. Once again one leaned on an obscure individual, this time adorned with the name Dr John, a type of labor broker who trafficked in mercenaries. Sixteen Surinamers landed in Suriname's neighboring country French Guyana and started such diligent firing

practices that they were picked up within a short time and put on a plane to Amsterdam. That happened in the spring of 1984. That time too, people from Chin a Sen's liberation council had actively participated in the battle against the dragon, against Dracula, Chin a Sen's pet name for Bouterse.

Chin a Sen granted uncomfortable interviews on the non-violent strategy of the liberation council, a strategy which was still intact, even though it could not keep individual members from testing their own ideas. Thus it was something which did not have the council as a whole behind it, but for which understanding was required--hence, the tortuous ways in which a resistance leader tries to cope when he finds he no longer provides leadership to a resistance which doesn't know how to resist.

Dracula himself meanwhile saw his way clear to organize a campaign which was to increase fear of an invasion of wildly shooting revanchist adventurers and about 10 million dollars worth of arms for the protection of his revo--pardon me; the peoples' revolution.

And there was someone else who smelled his opportunity. Andre Haakmat. For over a year he had calmly watched how the liberation council became divided, Chin a Sen's strategy of isolation remained fruitless, and counter coups stranded in naive amateurism. Then Haakmat decided it was time for his reentry. He invited the press for a briefing and proclaimed the /Amsterdam Peoples' Resistance/.

His analysis was as follows. A violent overthrow of the regime in Paramaribo was no longer feasible in 1984. People were tired of violence, the opposition was hopelessly divided, and the government had consolidated itself to some extent. The pressure tactic of suspending the Dutch development aid had also failed; it had made Bouterse more stubborn instead of more sensitive to the return of the democratic order in Suriname. However, there was still room for a /dialogue/. Stronger yet: Haakmat had received "signals" that Bouterse was prepared to have a dialogue with his opponents.

Haakmat: We sent a fact finding mission to Paramaribo. It reported that Bouterse saw a basis for further discussions in our plan. Bouterse had sent along a personal message for me: he needed at least 6 months to straighten out things in such a way that it was justified for me to return to Suriname."

Did the "signals" received by Haakmat possibly consist of a request by Bouterse to Haakmat to come and give him a hand in Suriname? Haakmat hesitates for a moment and then says: "He requested that, yes. He sent a messenger to me, Sergeant Sammy Monsens. We had an amicable discussion in the Okura hotel. However, it turned out he was unable to make any concessions. Everything would have to be discussed over there."

What was the wording of the message brought by the sergeant? "I would have to occupy my indispensable place in the revolutionary process."

And what was the message the sergeant took back with him? "Tell your commander: if you send someone shopping you have to give him money, and you are here without political bargaining money."

Dwarfs and Comics

Several other messengers traveled between Fort Zeelandia and Haakmat's office on the Lairese Street, but ultimately the Amsterdam Peoples' Resistance decided to suspend the dialogue. There are some Surinamese Suriname watchers who think that Haakmat broke off because Bouterse left too few openings for his comeback into the center of power in Paramaribo. But that is only backbiting, of course. Haakmat says that the dialogue was suspended due to indignation over new violations of human rights in Suriname and that it will remain suspended until Bouterse has sent new "signals."

[Question] Why would Bouterse make concessions to you? What would the advantage to him be?

[Haakmat] "He is unable to achieve what he says he wants. Then it could make sense for him to look for new alliances and new individuals."

[Question] After all those changes in government, he now has to put up with the third tier. That bothers him and he needs you.

[Haakmat] "That bothers him terribly. No matter how strong your position is, it is others who have to make it come true for you. If they are unable to do it, it will drive you crazy."

[Question] In the course of time considerable know-how has ebbed away.

[Haakmat] "One should not underestimate that. In the most difficult time of its existence, Suriname has to make do with third-tier rulers. Political dwarfs and comics determine the political field there. Otherwise I don't see why Bouterse would be interested in a dialogue."

[Question] You are prepared to help him under certain conditions.

[Haakmat] "The nucleus of politics is: to want to exercise influence. Who denies that is a swindler. My ideal is to help bring about a democratic, social constitutional state. The question is where and how I can best work on that ideal."

[Question] And you are prepared to risk your political reputation for that?

[Haakmat] "One always does that in politics. He who is unwilling to risk his political reputation should become a poet or fisherman."

[Question] When will you be back in Paramaribo?

[Haakmat] I am very contentedly practicing law here, and I think that will continue for a while. And look, I also have a personal problem. He has murdered some very good friends of mine, the best friends I ever had in my life. That is a personal obstacle to working with him."

[Question] An unsurmountable obstacle?

[Haakmat] "I think so. The state must remain ruled, and I will do anything in my power for that, but together with Bouterse, no, I can't do that to my good friends. The country is in an impasse, and it can't go on like that. Perhaps I can help the country. But I would not be able to be in an arrangement with Bouterse, my conscience absolutely forbids that step."

Trojan Horses

Thus it looks as if Haakmat is thinking about a return to Suriname politics, now in a role-at-a-distance, but still a role which offers him the opportunity to push Bouterse off his throne. Haakmat: "Bouterse ought to abandon his ambition to be the leader of the people. In my view a gradual transfer of power is needed. The greatest misery Bouterse could cause would be to suddenly pack up and disappear. That could result in Lebanese conditions, after which the army would again feel obliged to take over the power within a very short period. There is so much rivalry in Suriname politics--people can't work together there; the emotional factor blinds understanding. It is precisely that rivalry which so far has paved Bouterse's way."

That option of Haakmat turned out to be an obstacle to a further dialogue between Bouterse and the Amsterdam Peoples' Resistance. Bouterse needed help, but not to the extent of being willing to have the Trojan horses brought in. Moreover, it remains a question to what extent the Surinamese people are waiting for the return of the former deputy prime minister. Haakmat is not very well liked. His preference for little schemes has earned him ill-repute as a plotter--a plotter hunting for the throne.

Chin a Sen calls Haakmat's Peoples' Resistance "one of the disruptive elements" in the anti-Bouterse movement. "I have often wondered what resistance deeds his resistance group has actually accomplished. I don't find any. It is not a resistance group, it is a group which wants the power."

At the radical refugee foundation Makmur in Rotterdam, which forms part of the liberation council, they spit fire when Haakmat's name is mentioned. Treasurer S. Rasam: "You can do me a great favor by writing that the greatest catastrophe for the resistance is the fact that Haakmat's group calls itself a resistance group. Haakmat is nothing but a /collaborator/ of Bouterse. He is trying to undermine the liberation council."

Actually, there is not much left to be split or undermined in the liberation council, where a unanimity prevails similar to that related to the Tower of Babel in the past. Andre Haakmat: "It is a political mess there. Every member of the council speaks a different language. Chin a Sen is unable to bring about unity--just as he was unable to do so when he was prime minister. He is a kind, good, brave doctor, but he really ought to attend the political kindergarten once."

And what is his comment as to his own touching conversion from invasion leader to reconciler, a conversion which others label as /treason/?

Haakmat, serious: "One should not always cling so tenaciously to antiquated standpoints. You must dare accept different ideas. That is a question of intellectual integrity."

Oil Sheikhs and Explosives

Resistance, treason, reconciliation.

Whether Rob Wormer was also bothered by his intellectual integrity is doubted in Surinamese circles. His conversion was even more curious than that of Haakmat. For a while Wormer, at the time a member of one of the supporting organizations of the liberation council, made the most vivid attacks on Bouterse--until he visited Suriname together with his permanent companion Tjon Wolf, who later was to gain national publicity through a fist fight broadcast on TV. Breathless with admiration for the achievements of Bouterse and his associates, the duo returned from Paramaribo. "Never before was so much being done in Suriname in the interest of the people," Wormer had discovered.

Just over 1 month ago Wormer had something else for the media. A new discovery. The interest of the Surinamese people was now being /undermined/ through greed for profit and power, which forced him to change his course. Wolf did, however, still support Bouterse.

Chameleonic actions, fights, contradictions, accusations, torture, arson and attacks appear more often in reports on the Surinamese resistance than militant deeds, which also hamper the goal of the struggle. The most recent incidents concern a weapon find in Rotterdam and a series of arrests following that. Five Surinamers are being held still now in connection with that weapon find. Among them is Salem Paul Somohardjo, chairman of the Makmur refugee foundation and, in that function, a member of the liberation council.

In the council Somohardjo represents the radical wing of the anti-Bouterse movement in the Netherlands. In interviews he likes to mention firing practices, support from oil sheikhs, training sessions with explosives, and contacts with anti-Castro Cubans; these are all signals to Bouterse that he should not consider himself to be completely safe.

Since his arrest, Somohardjo has not given any interviews. His colleague board member S. Rasam is willing to clarify Makmur's position. "We have gradually become immune to the official line of the council, which says that Bouterse must be overthrown through diplomatic and economic isolation. We no longer believe in that. Bouterse himself has stated too often that he can only be /gunned/ away from his position."

[Question] Is that a solution for you?

[Somohardjo] "I would not regret it if that should happen."

[Question] And do you think you might help a little in bringing about that solution?

[Somohardjo] "Not might, but must."

[Question] What part of the Surinamese community would share that opinion?

[Somohardjo] "Of every ten people I meet, at least six no longer see any sense in isolation."

[Question] Do you think that mood is increasing?

[Somohardjo] "It is increasing considerably. The council is being more and more criticized on its non-violent strategy."

Gandhism

Last December the liberation council held its first congress. The controversy between doves (including Chin a Sen) and hawks (including Somohardjo) flared up intensely there. It led to a resolution which may be seen as a defeat of Chin a Sen. The congress concluded that "the resistance must intensify and toughen" the methods employed thus far and decided to recommend that "the Council of the Liberation of Suriname should utilize any possible means to accelerate the liberation of our country and people."

Chin a Sen? Violence against Bouterse after all? Chin a Sen finds that a "malevolent suggestion." "It does indeed say 'any possible means,' but it also says that that signifies an intensifying of the 'methods employed thus far.' And those methods fall under the non-violent strategy."

[Question] You don't have an easy task.

[Chin a Sen] "The official line continues to be non-violent resistance. But the current which wants violence is getting more and more followers and its image is becoming stronger and stronger. I have been accused of Gandhism; supposedly my strategy is not realistic. I hope that the militant people won't implement their ideas."

[Question] Why not?

[Chin a Sen] "We want to break through the spiral of violence. In the means we employ, the goal must be recognizable. It makes no sense to replace /Dracula/ with /Frankenstein/. Bouterse also started out with the best intentions at one time. I saw him become drunk with power. Perhaps the Chinese are right and power is like salt water: the more you drink the more thirsty you become."

[Question] The resistance offered thus far has failed.

[Chin a Sen] "I don't know that. The regime is encountering serious problems. The economy has been reduced to rubble. The military have not succeeded in getting the people behind them. Only something minor has to happen in order for dramatic changes to take place in that country, I am still optimistic about that."

[Question] Do you sometimes think of Manusama?

[Chin a Sen] "You risk the danger of remaining outside of Suriname your entire life. But being successful is not a condition for continuing with the struggle. That image of Manusama is not a deterrence to me. I have, however, on several occasions been on the verge of withdrawing from the front lines. Because the pressure on my family became too great, because I also have other responsibilities, such as earning a living. Now we are using up our reserves, and those are finite, of course."

[Question] Just as your function.

[Chin a Sen] "I imagine that if this lasts too long, my place will be filled by others. My role is of a limited duration. At any moment I could say: now I'm going to do something else."

[Question] Undoubtedly that is less a question of years than . . .

[Chin a Sen] ". . . than of months, indeed."

Around the Quagmire

How are the actions of the resistance judged outside of the circles of Chin a Sen, Haakmat and Makmur?

John Asam, spokesman of the Surinamese Laborers and Workers Organization, [SAWO] which is the continuation of LOSON, hesitates emphatically when he is asked for comment. Under no condition whatsoever does he want the SAWO to be grouped under the resistance, which he characterizes as a collection of individuals with borrowed power who prefer to be around the quagmire.

"A battle is taking place between the camps of the moneyed classes. None of those groups represent the common people. I blame the resistance and its adventurous ideas for inspiring people to unjustified actions, which provided Bouterse with an alibi to strengthen his repression. In Suriname one is now realizing that the resistance does not form as great a danger as is sometimes suggested. And the liberation council also has had to swallow its expectation of a rapid liberation of Suriname; that turned out to be a fata morgana of a defeated elite. Now defeatism is arising in those circles, of course, but in the Surinamese people the faith in the possibilities of change still exists. The regime has occupied a weaker and weaker position since the December murders and an alternative for this regime is needed more and more urgently. But people such as Haakmat and Chin a Sen don't exert any real influence on that process."

Another sound, a cautious sound, comes from Dr E. Waaldijk, a retired sociologist who worked for a long time in the diplomatic service for Suriname. Together with Dr J. Sedney, ex-president and ex-director of the Central Bank in Suriname, he drew up a plan to gather the various little resistance groups into a federation which could serve as a discussion partner for both Bouterse and the Dutch Government. Haakmat did not react rejectively, Chin a Sen did, and the plan is considered failed.

Waaldijk: We wanted to point out to the gentlemen that some coordination could promote the effectiveness of the resistance and possibly offer a better prospect for a result." And another, similarly streamlined, /understatement/: "With all due respect, we also wanted to bring up the question with what mandate the various groups are actually working."

In other words, the resistance doesn't really mean much?

Waaldijk: "It would be presumptuous of me to hold such an opinion."

Mafia

A third observer is Ludwich van Mulier, the leader of the pro-Bouterse League of Surinamese Patriots. To be more precise, he carries the rank of /secretary-general/.

"Oh, it will simply disintegrate," Van Mulier dismisses the resistance. "Haakmat and Chin a Sen; the lame leads the blind. When they had the power in Suriname, they didn't use it and now they are failing in the resistance. The latter really exists only by grace of the Dutch media. At their congresses, 80 percent of those present are press representatives."

A little later the subject of the liberation council does, however, put the secretary-general into a state of excitement. "All of those people are millionaires; they swim in money, all Surinamers know that. It's a Mafia, I'm telling you. They ran off with the money of the state. An oligarchy of capital interests which wants to control the Suriname treasury again. Revanchists."

When the discussion touches on the Guyana expedition, Makmur and the weapon finds, Van Mulier becomes intimate. "I'll tell you something--you can probably use a scoop. If the Netherlands doesn't actually curb the whims of the resistance, it is not improbable that Suriname will send Ambassador Van Houten on his way. And if the economic boycott takes place, serious consideration will be given to breaking all relations with the KLM [Royal Dutch Airlines]. I fear that we are steering toward a low point in relations. I have just returned from Paramaribo: those rumors abound in the policy circles there. Economically things aren't going well for Suriname, but if the ship of state really goes under, it will only be after some very good blows have been struck first."

Waiting for Each Other

Chin a Sen, when asked for an evaluation of the achievements of his liberation council, notes some successes and disappointments. The council has been able to keep the Surinamese problems in the news, including at the international level, has built up an intelligence network in Suriname, and has succeeded in coming up with a news bulletin--even though that latest "success" is extremely new, the first bulletin is coming from the printer that very day. Moreover, development aid still has not been resumed--perhaps a borrowed success, but there had been strong lobbying against resumption of the aid.

The greatest disappointment for the council was the fact that the resistance did not take root in Suriname itself. Chin a Sen has great understanding for the fact that people in the micro state Suriname, where everyone knows everyone, don't stick out their necks, but he had counted on more campaigns against the military. On the other hand, the Surinamese opponents were waiting for the actions of the liberation council. Thus they were waiting for each other, Chin a Sen admits.

People such as trade union leader Fred Derby, of whom Chin a Sen had expected something, accepted collaboration with Bouterse. In the Netherlands the resistance rapidly divided, and a large majority remained apathetic. "People find their niche here. They are absorbed into society. The part which would want to return to a liberated Suriname is continually decreasing. The longer it takes for the liberation, the more people lose their motivation to return.

Finally: "We received little support from democratic governments, and at times I have wondered whether democrats actually have the courage to fight for their principles. Those are professed orally, but meanwhile the liberation movements are seen as troublesome. Democrats lack the /elan/ and /drive/ with which religious fanatics and ideologically motivated people defend their views."

Moluccan Scenario

Since we are talking about elan and fanaticism anyway, the ideas of Salem Paul Somohardjo should be noted once more. On various occasions the rising star of the Surinamese resistance has warned the Dutch Government about the possible results of easing relations with Suriname. With regard to a potential resumption of the development aid to Suriname he said to DE VOLKSKRANT: "If Bouterse gets new aid from here, I don't know what will happen. I hope that the sky remains clear then, and that no Moluccan conditions (. . .) will result. Then we turn against the Netherlands."

Haakmat points out the radicalization in Suriname circles which, if rapid successes are not forthcoming, might result in acts of desperation against an enemy within reach. "Look what happened with the Moluccans. What was the sense of a train-hijacking? It was an act of desperation. I don't expect a /Moluccan scenario/ for the Surinamese resistance, but I don't have much certainty. When will the moment arrive that some little groups want to put the Netherlands under pressure? What should one think of those statements Somohardjo made? Take the development aid, for example. States cannot continue to live in enmity. But if relations should start thawing, you have a group of people in whom you have created high expectations and who will feel abandoned. Politicians who want no part of flexibility with respect to aid to Suriname, ought to realize the extent of expectations they are creating and perhaps the extent of disappointments they are preparing."

Chin a Sen on the "Moluccan scenario": "That possibility always exists, of course. If the conditions for resumption of aid are dropped, it is possible that there will be aggression against the Dutch Government." As to Somohardjo's statements: "It is good to point out things, but that should not

degenerate into blackmail or threats of violence. That should be rejected. But Somohardjo speaks in tough terms every now and then, and I don't know if all his statements should be given equal weight. For the rest, he is a very valuable man, clearly with a large following."

"If there should ever be trouble from the Surinamese resistance," says Ludwich van Mulier, "it will be in the Netherlands: at the moment that the resistance becomes isolated due to a lack of success and support."

If that happens, it might be added here, then one will celebrate not only in Fort Zeelandia. Then /Janmaat/ and /Glimmerveen/ will laugh along with Bouterse.

8700

CSO: 3614/142

TURKS AND CAICOS

PNP OFFICIAL RESIGNS, RAPS POLICIES, URGES ELECTION

Grand Turk TURKS & CAICOS NEWS in English 5 Sep 85 p 4

[Letter to the Editor]

[Text]

Blue Hills
August 20, 1985

Dear Sir,

Would you allow me space in your valuable newspaper, to clear the air and express myself to the public?

First I must say that I have resigned from being a member of the PNP executive council. I will just state a few facts and reasons why I cannot stay with a "yes-yes" party who cannot put some of their "yes-yes" into action. When you're looking for decent and respectable people, yes, the PNP have some of them, but you cannot take these type of people into the store, and come out with your arms full of groceries. That's why we want some of these yesses to be put into action, and PNPs do not know action, all they know is "yes-yes." I know that the

people are fed up with this type of situation, and I'm telling the PNPs that they will not be able to carry "yes-yes" to the poll in this upcoming election.

I would like to announce to the public that I am a dedicated man to my people, and I am promising them that I will no longer stay with a party or a government that will demolish, destroy or degrade my people in the Turks and Caicos Islands. I will be looking for letters from you, my people, to advise me which way to go, or which party you want me to join, because I'm not going to get drown in the PNP wrecking ship. The ship is already on the reef and beginning to sink: I myself have had enough shipwrecks, and cannot take any more of it.

The PNP ministers are all for themselves, and if you are not a relative of one of those ministers, you can't get any place, nor would you be considered for anything. They have shown the public too plainly that they are all for themselves. I would like the public to look into this situation: My son Rufus broke record in the graduation of the Turks and Caicos High School this year, but they failed to give him a scholarship, but Mr. Francis' grandson, who did not get marks as

high as my son, received a scholarship and has gone to college. So you see, government scholarships are only for the family of government ministers." There are children who received only school leaving certificates, and they were considered for a job, but the one who came out on top got nothing at all. Government should not have waited for my son to ask for a scholarship, they should have offered it to him. But what hurt me more than all, when he asked, it was turned down. So my people if you have no money to send your children to college after high school, they will not be granted scholarships.

The government know that if your child is well educated, in the future he will be able to run a proper administration. This present administration is no more than a dictatorship. They mean to keep you poor and uneducated, so they can reign in power for life. There is a saying that you should never trust a quiet dog: If you step on him once, he may just look up at you, but if you walk on him twice, he growls at you, and the third time, he surely bites the hell out of you. And that's what you PNPs are going to get from these quiet people in this upcoming elections.

And if you think that you are safe and "solid as a rock" as you've stated, then call an election now, and if you are fair and want to do right to the people you will call a general election, and would not wait for three more years. This country will be so backward in three years, no-one will be able to take it. The only thing that we can take is a general election, so we can make the crooked path straight and the rough path plain.

Before I close I would like to ask the Minister of Education, where is the Provo Junior High School? September is just a few days away for school to re-open. Is this proof to my words that this government do not like to see the children to get a good education, especially the children of Provo?

One thing I can thank God for is that your people are only ministgers of politics, and not ministers of the gospel, otherwise none of God's people would know what it takes to get to heaven, because every soul would be lost through your gospel.

Goodbye PNPs, I will meet you all in the rapture, and I pray God that you are ready to take the flight.

HILLY EWING

TURKS AND CAICOS

ISLANDS' STAGNANT DEVELOPMENT, DEPENDENCY DEPLORED

UK Bar To Progress

Grand Turk TURKS & CAICOS NEWS in English 29 Aug 85 p 4

[Editorial: "Where Are We Headed?"]

[Text]

(This is the fifth of a series of articles we are writing about conditions in the Turks and Caicos Islands since the arrest of the former Chief Minister and two other Ministers of Government in Miami. Our frank assessment of the situation as we see it may not please many people. It may even enrage a few. But we feel the time has come for "straight talk" concerning the situation in these islands, and positive action on the part of those who are connected with their future.)

We once asked a former Governor of these islands if the Turks and Caicos had any value to Britain. "None at all, my boy," came the quick reply. "Then why is the British flag flying so proudly from that pole, is it only because the air is free?" we asked. He caught the humour and smiled, then proceeded to lecture us on the policy of the Foreign Office regarding any colony that wants its independence.

Our problem is not independence. We have always been too poor to even think about that subject. When people are starving they don't think of independence. They worry where the next meal is coming from. Put money in a man's pocket and he has the power to choose whether he wants to stay with mother or move into his own flat. Keep him broke and he has no choice but to stay

home. Of course, he can always get a job and pay his own way, but what happens when mother blocks his every attempt to find employment?

That is the situation we are in today. Our insufficiency is not due entirely to our lack of initiative. We have made some effort in trying to attract investors, but every time a major project is referred to London the "experts" there give it the kiss of death.

It is time that the truth be known about our situation here in the Turks and Caicos. Our Government is not solely to be blamed because nothing substantial has happened here since Club Med. Our Government has its faults, and we don't mince words in "telling them off" whenever they are wrong. Truth is, very often they appear to be wrong when they are not.

These islands could be humming with prosperity if the British Government wanted it, but for some strange reason Britain wants to keep us on our knees . . . begging.

We cannot afford to turn down any decent project for these islands. The Turks and Caicos Islands have been too poor for too long, and it is much better to have a problem of uncontrolled development than one of unmitigated poverty.

But isn't it interesting how much money the British Government is willing to spend on studies, research, and consultations before they say "no" to every project that has the potential of making us self-sufficient?

Shortchanging of Islanders

Grand Turk TURKS & CAICOS NEWS in English 29 Aug 85 p 4

[Oliver Mills Column "Through the Mill": "When Are the Turks and Caicos Going To Belong to Turks and Caicos Islanders?"]

[Excerpts]

IN A letter to the editor on page five of the June 13, 1985 issue of the *News*, a "Concerned Citizen" posed the question: "When are the Turks and Caicos Islands going to be for Turks and Caicos Islanders?"

This question is one of the most important to be asked in our modern political history. This is because, throughout our history, we have either been claimed by some country, annexed by another, made a dependency of some other, and presently, we have the status of a Crown colony of yet another country. From our discovery in 1512, we have been the football that has constantly been kicked about from one country to the other.

The main question: When are the Turks and Caicos Islands going to be for Turks and Caicos Islanders, still haunts us, though, despite the progress we have made. This is because, the majority of our people are still living on the fringes of the society, we are still a dependency, and our political representatives are only in office — not in power. The ministerial system which was supposed to give us responsibility for some of our affairs is not functioning for this purpose. Our politicians do not know how to govern, and public affairs appears to be stagnant.

Some of our politicians are only there for status reasons, they are not politically conscious, and do not appear to

be interested in the basic needs of the people. Some seem to feel they should have a major piece of the action when anything big comes about, so that they would always be on top of the people, and not by their side leading and guiding them. The people are only important as suppliers of votes. Again, some of our politicians use outsiders as their advisers, and do not have faith in their own people, to whom they owe their jobs. Because of all this, our islands would continue to be for others, and not for the people of its soil.

Our islands are only going to be come the property of those who were born here when the people are politically educated to know where they are coming from, where they are now, and where they are going. This would have to be done by new types of persons, who are really interested in the welfare of the people. When the people are educated they know who their friends are, and can no longer be fooled. They would be able to choose genuine representatives, who would put them first, and make them the masters of their own house. The people must therefore use their judgment, and make the historic choice of who their leaders should be, since it is this choice that would decide whether outsiders would continue to eat the fat of the land, or it is they who would be its true inheritors.

VENEZUELA

LUSINCHI ADDRESSES LATIN AMERICAN UN DELEGATES

PA040407 Caracas Television Service in Spanish 0000 GMT 2 Oct 85

[Report by Walter Martinez]

[Text] The luncheon given by President Jaime Lusinchi was one of the important events of the day. In an improvised speech, the president achieved great communication with and reaction from the representatives of Latin America and the decolonized Caribbean who often interrupted his speech with applause. Forty years ago, the nations of our continent played an essential role when they were present in a united and firm manner as a bloc in the San Francisco conference during the founding of what we now know as the United Nations. The president made emphatic statements that will be as remembered as those he made in his speech to the UN General Assembly, which is now being covered 24 hours later by almost all the western satellite services that we are now receiving, after we presented it to you almost directly. Let us hear some of the essential points addressed by the president:

[Begin Lusinchi recording] I decided to hold this meeting so that we could see each other for a few moments and to underscore what we have been and what we could be. I have also invited those who have always been our allies, our brothers, and our companions: the people of the Caribbean islands. They are people who were taken away from us and who have now returned to us. They are now a part of us. Britain left the Caribbean as one who does not want a dish. These countries, united with us, form part of a vision of great strategic strength. [end recording]

President Lusinchi developed this topic as he felt more at ease in his improvised speech to the representatives of Latin America and the Caribbean. He achieved great communications with his audience who interrupted him several times with applause. He made emphatic remarks about how much we are manipulated by the big powers and how we are divided, remaining distant from the ideal of unity promoted by liberator Bolivar and all the great leaders of America. Let us see how the president developed those ideas:

[Begin Lusinchi recording] Why should we continue to provide amusement for the big powers and continue to permit them to use us as pawns in their diabolical game? Why don't we people of the Third World look more for what unites us? Why don't we set aside what is circumstantial and miserable? I think it is

time that we people of Latin America and the Caribbean unite and understand each other. We should begin to push forward and strengthen what we are. We have the greatest unity of principles, opinions, and outlook that exists in the world. It is not a matter of coming here before this group of friends to foolishly speculate or pompously express a complex. I would say that our world, which is the heir of what is called western Christian civilization and that should give freedom its full dimension, is surely the best reserve at this moment of mankind. If we move into the near future with that sense of power that we have inside us and that we have not utilized, we in the United Nations could be what we were 40 years ago during its beginnings. We were 22 Latin American nations. [applause] [end recording]

The applause began and what some thought was just going to be a little formal speech became a speech that stressed very clear geopolitical points that are essential for the security and future of the continent. The president then expressed solidarity with nations like Mexico and Bolivia. He closed his speech by explaining what it means to be a Venezuelan. Let us hear the president:

[Begin Lusinchi recording] To be Venezuelan is to be Bolivian, Mexican, Latin American, and human, because the Venezuelans have always had this nature. We are children of the liberator. We are children of learning. We are children of an idea. We are perpetual followers of freedom that is a value that never dies. Thank you very much. [end recording]

CSO: 3348/79

VENEZUELA

VENEZUELAN DELEGATES COMMENT ON RECENT OPEC MEETING

PA052100 Caracas Television Service in Spanish 0000 GMT 5 Oct 85

[Interview by reporter Nelson Bocaranda Sardi with Hernan Anzola Deputy Energy and Mines Minister and Oil Adviser Julio Sosa Rodriguez at the conclusion of a special OPEC meeting in Vienna, Austria; date not given--recorded]

[Begin recording] [Anzola] Although it was not on the original agenda, perhaps the most important point discussed at this conference was the new marketing system introduced into the oil market by Saudi Arabia, with the so-called netback [preceding word in English]. This is a mechanism by which the price charged by an exporter of crude oil to an oil refiner or client is the result of deducting the refining and transportation costs. This system is merely a transference of the marketing risks from the client to the producer. Previously, the client had to pay a market price set by the producer, but now the risk has been transferred from the consumer to the oil producer.

[Bocaranda Sardi] That is a harmful practice.

[Anzola] Definitely. We believe that it is not only harmful, but also a step backward in the achievements made by the OPEC in its 25 years of struggle to set the price of its main export source in an autonomous way. Now, during the conference in which this point was widely debated, Minister Yamani [Saudi-Arabian petroleum and mineral affairs minister] said that this marketing system is new for Saudi Arabia, but not for OPEC, because 10 other OPEC countries--excluding, he said, Venezuela and Kuwait--are applying similar procedures. This was one of his arguments to justify this new marketing system.

[Bocaranda Sardi] Now, what was Venezuela's formal participation? We understand that you presented a document with Venezuela's position. Could you please summarize it?

[Anzola] Actually, in view of this situation which we believe could cause a historical split in the organization, we have presented a declaration of principles in which we ratify Venezuela's position within the OPEC. In other words, we believe that OPEC should remain united; we believe and admit that OPEC has lost strength or influence in determining the prices of oil on the international markets; we also believe that this situation has been further aggravated by the growing production of non-OPEC member countries and by

financial pressures affecting several of the OPEC member countries. In conclusion--and we proposed this at the conference--we feel that OPEC should carefully analyze the implications that such a system would have on the organization's price structures, if it becomes generalized. That was the central message of our proposal, which we consider fundamental at this time.

[Bocaranda Sardi] Dr Sosa Rodriguez, as an oil expert, could you give us an evaluation of the conference that ended today in Vienna?

[Sosa Rodriguez] The meeting was relatively short. The agenda included the revision of quotas. Six countries requested an increase in their quotas. Naturally, it was absurd to ask for an increase in quotas, when not even the 16 million barrels that constitute the total current quota are being sold. It was absurd to ask for an increase in quotas at a time when the market is weak. Therefore, this point was discussed quickly, and with the exception of one vote--Iraq--it was unanimously agreed that the current quotas will not be altered.

[Bocaranda Sardi] Could you briefly tell us what happened with Ecuador?

[Sosa Rodriguez] In reality, our Ecuadoran friends were among the six countries that requested a quota increase. For quite some time now, they have been asking for an increase of 100,000 barrels per day. On one occasion, there was a conversation at the end of the table, in which the two belligerent countries--Iraq and Iran--began to insist on that they were the ones that needed a quota increase. I really do not know why, but the Ecuadoreans decided that this was sort of a move to leave them out, an Arab-Muslim move to leave them out, which was never the case. Right away, Deputy Minister Anzola, who headed the Venezuelan delegation said that if the proposal--which was not being considered at the time--is discussed, Ecuador should be given preference. I talked to them personally. They understood the situation, and they were perfectly aware that this is not the right time to propose a quota increase, and that consequently, there had been no offense from any OPEC member against them.

[Bocaranda Sardi] Tonight, before leaving Vienna for Saudi Arabian Minister Yamani apparently acknowledged Venezuela's message, when he said that his country would not exert any pressure for a reduction in the prices determined by the OPEC, and that those prices would be the guide for any price of crude oil in the world. [end recording]

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VENEZUELA

BANKS RESPOND 'WELL' TO DEBT CLAUSE PROPOSAL

PA082204 Caracas Television Service in Spanish 0000 GMT 8 Oct 85

[Text] The international banks and financial institutions have responded well to the contingency clause Venezuela proposed for inclusion in foreign debt renegotiation agreements. Venezuelan Finance Minister Manuel Azpurua Arreaza explained today that the clause is meant to protect debtor countries from unforeseeable developments. Martin Pacheco has more.

[Begin recording] [Pacheco] Minister Azpurua Arreaza went to Miraflores Palace immediately after arriving from the United States to brief President Jaime Lusinchi on the reactions to the Venezuelan proposal. The meeting lasted several hours.

The proposal for a contingency clause was first announced by President Lusinchi during his address before the UN General Assembly. It seeks to make manifest the goodwill of creditors and debtors to revise the terms of debt agreements in the event of changes in the financial situations of debtors.

[Azpurua Arreaza] We believe it is a perfectly reasonable proposal that benefits the financial relations between the debtor countries and the banks.

[Pacheco] The co-chairmen [preceding word in English] and Willian (Butcher), chairman [preceding word in English] of the Chase Manhattan Bank, were presented with the text of the proposed contingency clause for its review. They are expected to issue a response within several days.

Meanwhile, Minister Azpurua Arreaza was somewhat surprised by the U.S. posture as set forth at the World Bank and IMF meeting in the sense that no more loans will be granted to the Third World countries. The minister reported that he met with Paul Volcker, chairman of the U.S. Federal Reserve System, who informed him of the U.S. decision. Azpurua Arreaza said that the developing countries need to grow in order to be able to meet their foreign debt obligations.

[Azpurua Arreaza] Mechanisms must be sought. Work is being done in this respect to allow the flow of fresh capital resources to the debtor countries, so that these may finance development programs that will contribute to their economic growth and the well-being of their peoples. This will enable them to meet their obligations with the international financial community.

[Pacheco] This was Martin Pacheco reporting from Miraflores Palace. [end recording]

VENEZUELA

BRIEFS

1984 ECONOMIC REPORT--According to an economic report on 1984 issued by the Venezuelan Central Bank, the gross national product dropped 1.1 percent. The report indicates that the unemployment rate in 1984 was 13.4 percent. International reserves increased by \$1.32 billion and at the close of 1984 were \$12.489 billion. [Summary] [Caracas EL UNIVERSAL in Spanish 8 Sep 85 p 2-1 PA]

PRC ARMY DELEGATION VISIT--Han Huaizhi, assistant to the chief of staff of the People's Liberation Army of China, and his delegation have met with Vice Admiral Julio Cesar Lanza Castellano, director of the Institute of Higher Studies for National Defense. During the visit, the Chinese delegation toured the institute's installations. [Summary] [Caracas EL NACIONAL in Spanish 29 Sep 85 p b-28 PA]

END

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